



DEFENSE LOGISTICS MANAGEMENT SYSTEM (DLMS)

VOLUME 2

SUPPLY STANDARDS AND PROCEDURES

March 2003

UNDER SECRETARY OF DEFENSE
ACQUISITION TECHNOLOGY & LOGISTICS
(LOGISTICS & MATERIEL READINESS)

TABLE OF CONTENTS**VOLUME 2: SUPPLY STANDARDS AND PROCEDURES****CHAPTER 1 INTRODUCTION**

C1.1	GENERAL.....	C1-1
C1.2	POLICY.....	C1-1
C1.3	APPLICABILITY.....	C1-1
C1.4	SUPPLY PROCESS REVIEW COMMITTEE	C1-1
C1.5	NONCOMPLIANCE	C1-2
C1.6	TRANSACTION REVERSAL.....	C1-2

CHAPTER 2 SPECIAL PROGRAM REQUIREMENTS AND DEMAND DATA EXCHANGE FORECASTS

C2.1	GENERAL.....	C2-1
C2.2	SPECIAL PROGRAM REQUIREMENTS (SPRSs)	C2-1
C2.3	DEMAND DATA EXCHANGE FORECASTS.....	C2-5

CHAPTER 3 WAR MATERIAL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES

C3.1	GENERAL.....	C3-1
C3.2	WMR	C3-1
C3.3	SIMULATED MOBILIZATION EXERCISES	C3-2

CHAPTER 4 REQUISITIONING

C4.1	GENERAL.....	C4-1
C4.2	PREPARATIONS OF REQUISITIONS	C4-1
C4.3	RETRANSMITTED REQUISITIONS.....	C4-26
C4.4	REQUISITION CANCELLATIONS.....	C4-26
C4.5	REQUISITION MODIFICATIONS	C4-30
C4.6	REQUISITION INQUIRIES/REQUESTS FOR SUPPLY ASSISTANCE ...	C4-32
C4.7	REQUISITION PROCESSING AND RELATED ACTIONS	C4-33
C4.8.	DAAS EDIT OF INCOMING REQUISITIONS.....	C4-64

CHAPTER 5 ASSET STATUS REPORTNG

C5.1	IN STORAGE ASSETS.....	C5-1
C5.2	SUPPLY AND SHIPMENT STATUS - GENERAL	C5-1
C5.3	LOGISTICS ASSET SUPPORT ESTIMATE.....	C5- 14

CHAPTER 6 PHYSICAL INVENTORY CONTROL

C6.1	GENERAL.....	C6-1
------	--------------	------

	<u>PAGE</u>
C6.2 POLICY	C6-2
C6.3 PHYSICAL INVENTORY PROCEDURES.....	C6-8
C6.4 RESEARCH OF POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS	C6-12
C6.5 REVERSAL OF INVENTORY ADJUSTMENTS	C6-14
C6.6 LOCATION AUDIT PROGRAM	C6-15
C6.7 RETENTION OF ACCOUNTABLE DOCUMENTATION	C6-20
C6.8 QUALITY CONTROL	C6-21
C6.9 PHYSICAL INVENTORY CONTROL PROGRAM PERFORMANCE ASSESSMENT	C6-22
C6.10 STORAGE ITEM CORRECTION.....	C6-30
CHAPTER 7 INVENTORY ADJUSTMENT TRANSACTIONS	
C7.1 GENERAL.....	C7-1
C7.2 CHANGES IN CONDITION OF MATERIAL	C7-2
C7.3 OWNERSHIP GAINS AND LOSSES.....	C7-6
C7.4 PURPOSE OF TRANSFERS.....	C7-7
C7.5 INVENTORY GAINS AND LOSSES.....	C7-7
C7.6 MAINTAINING ACCOUNTABILITY DURING MAINTENANCE	C7-7
C7.7 REIDENTIFICATION OF STOCK, STOCK NUMBER CHANGES, AND UNIT OF ISSUE CHANGES	C7-9
C7.8 CONDITION CHANGES FOR ITEMS BEING REPORTED/TURNED IN TO DRMS	C7-10
CHAPTER 8 MATERIAL OBLIGATION VALIDATION (MOV)	
C8.1 SUPPORT OF UNITED STATES FORCES	C8-1
C8.2 MILITARY ASSISTANCE PROGRAM/GRANT AID	C8-7
CHAPTER 9 LOGISTICS REASSIGNMENT	
C9.1 GENERAL.....	C9-1
C9.2 POLICY.....	C9-2
C9.3 REQUIREMENTS.....	C9-2
C9.4 PRE-ETD ACTIONS	C9-2
C9.5 ETD PERIOD ACTION	C9-4
C9.6 POST ETD ACTIONS	C9-5
C9.7 RECEIPT PROCESSING AFTER ETD	C9-8
C9.8 INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE	C9-10
C9.9 DUE-IN VALIDATION	C9-10
CHAPTER 10 MATERIAL RECEIPT ACKNOWLEDGEMENT	
C10.1 GENERAL	C10-1
C10.2 RESPONSIBILITIES.....	C10-2
C10.3 INQUIRY FOR DELINQUENT MATERIAL RECEIPT ACKNOWLEDGEMENT.....	C10-9

PAGE**CHAPTER 11 MATERIAL RETURNS AND REDISTRIBUTION OF ASSETS**

C11.1	GENERAL.....	C11-1
C11.2	APPLICABILITY AND SCOPE.....	C11-2
C11.3	EXCLUSIONS.....	C11-2
C11.4	REPORTING CRITERIA FOR CUSTOMER ASSET REPORTS	C11-2
C11.5	PREPARATION OF CUSTOMER ASSET REPORTS	C11-3
C11.6	CANCELLATION OF CUSTOMER ASSET REPORTS.....	C11-4
C11.7	PROCESSING REPLIES TO CUSTOMER ASSET REPORTS	C11-4
C11.8	FOLLOW-UPS ON REPORTED ASSETS.....	C11-5
C11.9	AUTOMATIC RETURNS	C11-6
C11.10	DEFENSE AUTOMATIC ADDRESSING SYSTEM	C11-7
C11.11	INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF CUSTOMER ASSET REPORTS	C11-9
C11.12	INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER MATERIAL RECEIPT STATUS	C11-11
C11.13	PROCESSING OF SHIPMENT STATUS	C11-12
C11.14	PROCESSING FOLLOW-UPS FROM REPORTING ACTIVITIES.....	C11-12
C11.15	CANCELLATION OF CUSTOMER ASSET REPORTS.....	C11-14
C11.16	INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF DS 180M CUSTOMER ASSET REPORTS, CANCELLATIONS, AND FOLLOW-UPS WHEN THE SUPPLY SOURCE HAS CHANGED.....	C11-15
C11.17	INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER LATERAL REDISTRIBUTION OF RETAIL ASSETS.....	C11-15

CHAPTER 12 DUE-IN AND ADVANCE RECEIPT INFORMATION

C12.1	GENERAL.....	C12-1
C12.2	CONTROL OF MATERIAL DUE-IN.....	C12-2
C12.3	PROVIDING THE STORAGE ACTIVITY WITH ADVANCE RECEIPT INFORMATION (ARI)	C12-3
C12.4	LOAN MATERIAL	C12-4
C12.5	LOGISTICS REASSIGNMENT MEMORANDUM DUE-IN AND ARI	C12-5
C12.6	LOGISTICS REASSIGNMENT DUE-IN VALIDATION	C12-5

CHAPTER 13 MATERIAL RECEIPT

C13.1	GENERAL.....	C13-1
C13.2	MATERIAL RECEIPT PROCESSING	C13-2
C13.3	INQUIRY ON IN-TRANSIT DUE-INS.....	C13-16
C13.4	STORAGE ACTIVITY RESPONSE TO INQUIRY ON MATERIAL RECEIPT	C13-17

**CHAPTER 14 ISSUE, LOAN, DEMAND, AND AMMUNITION FREEZE/UNFREEZE
TRANSACTIONS**

C14.1	GENERAL.....	C14-1
C14.2	ISSUE TRANSACTIONS	C14-1

PAGE

C14.3	MAINTAINING ACCOUNTABILITY DURING MAINTENACE ACTIONS ..	C14-1
C14.4	ISSUE TO DRMO OF SUPPLY CONDITION CODE (SCC) Q MATERIAL	C14-3
C14.5	BACKORDER TRANSACTIONS	C14-3
C14.6	DEMAND TRANSACTIONS	C14-3
C14.7	LOAN TRANSACTIONS	C14-4
C14.8	SMCA FREEZE/UNFREEZE ACTIONS	C14-4
 CHAPTER 15 INSTALLATION CLOSURE PROCEDURES		
C15.1	GENERAL	C15-1
C15.2	APPLICABILITY AND SCOPE	C15-1
C15.3	EXCLUSIONS	C15-1
C15.4	INSTALLATION CLOSING PROCEDURES	C15-2
C15.5	PROCEDURES FOR INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER	C15-4
 CHAPTER 16 REUTILIZATION AND MARKETING		
C16.1	REQUISITIONING DOD EXCESS PERSONAL PROPERTY FROM THE DEFENSE REUTILIZATION AND MARKETING SERVICE	C16-1
C16.2	REQUISITIONING CONVENTIONAL SMALL ARMS FROM DRMS	C16-3
C16.3	PREPARATION OF SHIPMENTS TO DRMOs	C16-4
C16.4	DIRECTING MATERIAL TO THE DRMS	C16-5
C16.5	PROCESSING MATERIAL TO THE DRMS	C16-6
 CHAPTER 17 SUPPLY DISCREPANCY REPORTING		
C17.1	GENERAL	C17-1
C17.2	POLICY	C17-4
C17.3	PROCEDURES	C17-6
C17.4	MANAGEMENT EVALUATION	C17-30
 CHAPTER 18 SMALL ARMS AND LIGHT WEAPONS SERIAL NUMBER REGISTRATION AND REPORTING		
C18.1	SCOPE	C18-1
C18.2	GENERAL REQUIREMENTS	C18-1
C18.3	OBJECTIVES	C18-3
C18.4	EXCLUSIONS	C18-3
C18.5	DELINEATION OF RESPONSIBILITIES	C18-4
C18.6	SAFEGUARDING AND PHYSICAL SECURITY OF AUTOMATIC DATA PROCESSING RECORDED DATA	C18-6
C18.7	OPERATING PROCEDURES	C18-7
C18.8	TIME STANDARDS FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS	C18-11

PAGE**CHAPTER 19 UNIQUE ITEM TRACKING**

C19.1	SCOPE	C19-1
C19.2	EXCLUSIONS.....	C19-1
C19.3	GENERAL	C19-1
C19.4	OBJECTIVES	C19-1
C19.5	SAFEGUARDING AND PHYSICAL SECURITY OF UIT DATA RECORDS.....	C19-2
C19.6	VISIBILITY OF UIT ITEMS	C19-2
C19.7	RESPONSIBILITIES FOR UIT.....	C19-2
C19.8	NATIONAL STOCK NUMBERS (NSN).....	C19-3
C19.9	VISIBILITY OF ITEMS	C19-3
C19.10	RETENTION OF UIT DOCUMENTATION.....	C19-3
C19.11	DUE-IN AND ADVANCE RECEIPT INFORMATION (ARI)	C19-4
C19.12	ADVANCE SHIPPING NOTICE.....	C19-4
C19.13	ACCEPTANCE REPORT	C19-4
C19.14	MATERIAL RECEIPT	C19-4
C19.15	UII RECEIPT DISCREPANCIES	C19-5
C19.16	REINTRODUCTION OF UII ITEM PREVIOUSLY SHIPPED OUTSIDE THE CONTROL OF THE DOD	C19-5
C19.17	MATERIAL REDISTRIBUTION AND RELEASE	C19-5
C19.18	CANCELLED MRO/DRO SUPPORTING UII MATERIAL RELEASE	C19-5
C19.19	MATERIAL RELEASE CONFIRMATION (MRC).....	C19-5
C19.20	CONFIRMATION OF SHIPMENT TO DEMILITARIZATION AND/OR DISPOSAL	C19-6
C19.21	SHIPMENT STATUS	C19-6
C19.22	PHYSICAL INVENTORY OF UII ITEMS.....	C19-6
C19.23	DOD STOCK READINESS (SR) PROGRAM.....	C19-6
C19.24	SIGHT VERIFICATION UNDER SPECIAL CIRCUMSTANCES	C19-6
C19.25	DLMS TRANSACTIONS WITH UIT CAPABILITY	C19-6
C19.26	DOD-LEVEL UIT PROGRAMS.....	C19-8
C19.27	UNIQUE ITEM TRACKING DESIGNATOR CODES (UITDC).....	C19-10

CHAPTER 20 MEDICAL UNIT ASSEMBLY PROGRAM

C20.1	GENERAL.....	C20-1
C20.2	APPLICABILITY AND SCOPE.....	C20-1
C20.3	BUILD REQUIREMENT	C20-1
C20.4	DUE-IN ESTABLISHMENT.....	C20-1
C20.5	RECEIPT PROCESSING	C20-1
C20.6	COMPONENT PACKING INFORMATION	C20-2

CHAPTER 21 STOCK READINESS PROGRAM

C21.1	GENERAL	C21-1
C21.2	APPLICABILITY AND SCOPE	C21-2
C21.3	STOCK SCREENING REQUEST/REPLY OVERVIEW	C21-2
C21.4	SQCR PROCESS OVERVIEW.....	C21-4

PAGE**CHAPTER 22 RESERVED****CHAPTER 23 CARCASS TRACKING PROCESS**

C23.1	GENERAL	C23-1
C23.2	PROCEDURES	C23-1

CHAPTER 24 PASSIVE RADIO FREQUENCY IDENTIFICATION (RFID) TRANSACTIONS

C24.1	GENERAL	C24-1
C24.2	APPLICABILITY AND SCOPE	C24-1
C24.3	PROCESS OVERVIEW.....	C24-1
C24.4	READER REGISTRATION.....	C24-2
C24.5	READER REGISTRATION DATA REQUIREMENTS.....	C24-2
C24.6	VISIBILITY TRANSACTION PROCESS.....	C24-4
C24.7	VISIBILITY TRANSACTION DATA REQUIREMENTS.....	C24-5
C24.8	VISIBILITY RESPONSE TRANSACTION PROCESS.....	C24-5
C24.9	VISIBILITY RESPONSE TRANSACTION DATA REQUIREMENTS.....	C24-5
C24.10	DATA STORAGE PROCESS.....	C24-7

APPENDICES

AP1.	APPENDIX 1, REPORT OF VALIDATION OF MATERIAL OBLIGATIONS	AP1-1
AP2.	APPENDIX 2, QUARTERLY IN-TRANSIT TO DEFENSE REUTILIZATION AND MARKETING OFFICE REPORT	AP2-1
AP3.	APPENDIX 3, SUPPLY DISCREPANCY REPORT (SDR) DISTRIBUTION.....	AP3-1
AP4.	APPENDIX 4, INSTRUCTIONS FOR PREPARATION OF STANDARD FORM 364	AP4-1
AP5	INSTRUCTIONS FOR SUBMISSION OF DOD UNIQUE ITEM TRACKING (UIT) PROGRAM CANDIDATES	AP5-1

PAGE**TABLES**

<u>Table</u>	<u>Title</u>	
C4.T1.	Derivation of Priority Designators	C4-5
C4.T2.	Depot Work Area Identification	C4-60
C4.T3	DAAS Authority Codes	C4-65
C5.T1.	Distribution Depots and Co-Located Material Processing Centers.....	C5-12
C5.T2.	Activities Authorized to Submit Asset Support Requests	C5-19
C6.T1.	General Supplies Record Accuracy Goals	C6-8
C6.T2.	Schedule of Annual Location Reconciliation Requests	C6-19
C6.T3.	Minimum Research Requirements for Potential or Actual Physical Inventory Adjustments.....	C6-29
C8.T1.	MOV Cyclic Validation Schedule	C8-3
C8.T2.	Cyclic Schedule for MOV in Support of the MAP/GA	C8-7
C8.T3.	Program Originator Codes	C8-8
C10.T1	MRA Submission Timeframes.....	C10-4
C16.T1.	Turn-In Processing Data Requirements	C16-7
C18.T1	Format To Report SA/LW Without an NSN.....	C18-2
C19.T1	DLMS Transactions with UIT Capability	C19-7
C19.T2	UIT Designator Codes.....	C19-10
C24.T1	Passive RFID Reader Registration Requirements.....	C24-2
C24.T2	Passive RFID Visibility Transaction Data Requirements	C24-4

FIGURES

<u>Figure</u>	<u>Title</u>	
C23.F1	BK Transaction Process Flow.....	C23-4
C24.F1	ARI Context Diagram	C24-5

C1. CHAPTER 1

INTRODUCTION

C1.1. GENERAL

C1.1.1. **Purpose.** This volume provides Department of Defense (DoD) standard procedures and electronic data interchange (EDI) conventions to effect supply actions using American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 transactions.

C1.1.2. **Use.** Use of this volume requires simultaneous access to DLMS Manual Volume 1 “front matter”: the full Table of Contents; the only listings of acronyms and abbreviations, definitions, and references; instructions for acquiring access to the DLMS standards data base; Defense Logistics Management System (DLMS) to Defense Logistics Standard System (DLSS) cross-references and conversion guides; specific guidance that applies to all implementation conventions; and both functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. **POLICY.** DoD Directive 4140.1 and DoD 4140.1-R provide the DoD policies and governing procedures in this volume.

C1.3. **APPLICABILITY.** This manual applies to the Office of the Secretary of Defense; the Military Services (Army, Navy, Air Force, and Marine Corps, including their National Guard and Reserve Components and including the U.S. Coast Guard (USCG) (both when it is and when it is not operating as a Military Service in the Navy and, by agreement with the Department of Transportation, when it is operating as a Military Service of that Department); the Chairman of the Joint Chiefs of Staff (CJCS) and Joint Staff; the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as “the DoD Components”). Additionally, the manual applies, by agreement, to other external organizational entities conducting logistics business operations with DoD including (a) non-Government organizations, both commercial and nonprofit; (b) Federal agencies of the U.S. Government other than DoD; (c) foreign national governments; and (d) international government organizations.

C1.4. **SUPPLY PROCESS REVIEW COMMITTEE.** The Supply Process Review Committee (PRC) is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of supply requirements for the DLMS. The Supply PRC chairperson, in coordination with the Supply PRC representatives, is responsible for the contents of this volume of the DLMS. Representatives to the Supply PRC are identified in Appendix 1. Refer to Volume 1, Chapter 1 for a discussion of DLMS PRC functions and responsibilities.

C1.5. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or resolution of DLMS supply-related problems are unsatisfactory, the activity having the problem will request assistance from their DLMS Supply PRC representative. The request will include information and copies of all correspondence pertinent to the problem; including the transaction set number, the transaction number and the date of the transaction involved. The representative will take the necessary actions to resolve the issue or problem. The actions may include requesting assistance from the Supply PRC chairperson.

C1.6. TRANSACTION REVERSAL. Processing activities may totally or partially reverse selected transactions. As a minimum, activities shall apply transaction reversal edits and controls to assure that:

C1.6.1. Original Controlling Number. The original controlling number (transaction number or contract number) is used on all reversal transactions. Activities shall not process a transaction reversal if the transaction or contract number does not match an established file record transaction or contract number. If such a transaction is received, reject it back to the originator using **DLMS Supplement (DS) to 824 Federal Implementation Convention (IC), 824, Reject Advice, available at: <https://www.dla.mil/j-6/dlmso>**.

C1.6.2. Cumulative Total Reversals. The cumulative total of all reversal transaction quantities for the transaction or contract number does not exceed the original transaction quantity. If the cumulative total of all reversal transaction quantities exceeds the original transaction quantity, reject the transaction(s), causing the total quantity to exceed the original quantity, back to the submitter using an **DS 824**.

C1.6.3. Quality Control. See Chapter 6 for quality control requirements and for additional controls required when reversing physical inventory adjustments. See Chapter 9 for additional controls required when reversing logistics transfer/decapitalization transactions.

C2. CHAPTER 2

SPECIAL PROGRAM REQUIREMENTS

AND DEMAND DATA EXCHANGE FORECASTS

C2.1. **GENERAL.** *This chapter provides procedures for Special Program Requirements (SPR) and for Demand Data Exchange (DDE) forecasts.*

C2.2. SPECIAL PROGRAM REQUIREMENTS (SPRs). This **section** provides procedures for SPRs forecasting for items required to support special programs or projects which are of a nonrepetitive nature and cannot be forecast by the inventory control point (ICP) based on demand data, and which have the greatest probability of materializing and resulting in the eventual submission of requisitions.

C2.2.1. Forecasting activities may submit SPR requests, using DS to **Federal IC 830R**, Special Program Requirements, for requirements meeting one or more of the following criteria:

C2.2.1.1. One-time training exercises or maneuvers.

C2.2.1.2. Repair or rebuild programs **that** are either nonrecurring or are seldom or irregularly programmed.

C2.2.1.3. New constructions (ships, buildings, etc.).

C2.2.1.4. One-time alterations, modifications, or conversion programs.

C2.2.1.5. Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).

C2.2.1.6. Initial requirements for special operational projects.

C2.2.1.7. Requirements for initial testing.

C2.2.1.8. Requirements for Government-furnished property.

C2.2.1.9. Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.

C2.2.1.10. Special situations of a nonrepetitive nature when required in support of authorized Security Assistance Program requirements (e.g., initial pipeline stockage requirements in support of approved Cooperative Logistics Supply Support Arrangement (CLSSA), etc.).

C2.2.2. Excluded Requirements. The following types of requirements are excluded from identification as SPRs:

C2.2.2.1. Provisioning, recurring type.

C.2.2.2.2. War Material Requirements.

C.2.2.2.3. Requirements for which the DoD Component has a recurring demand.

C2.2.2.4. Subsistence, all categories

C2.2.3. SPR Submission and Routing

C2.2.3.1. Submission Timeframe. The time window for submission of SPRs is between 90 calendar days and 5 years prior to the support date (the first day of the month in which it is anticipated that material will be requisitioned for the program). When procurement is necessary, delivery for an early support date may not be possible since the procurement lead time for most items will be greater than 90 calendar days. Therefore, forecasting activities should submit SPRs to ICPs as far in advance of the support date as practical.

C2.2.3.2. Forecasting. Forecasting activities **shall** prepare a DS 830R to transmit SPR data to the ICP. When the requirement for an item is such that material will be required in phases (e.g., 100 each per month; 100 per quarter, etc.), the forecasting activity **shall** stratify the forecast quantity by the support date as allowed by DS 830R.

C2.2.4. Defense Automatic Addressing System Center (DAASC) Processing. DAASC **shall** pass or route SPR inquiries as follows:

C2.2.4.1. Correct Source of Supply (SOS). If the transaction is directed to the correct SOS, DAASC **shall** pass the transaction to that activity.

C2.2.4.2. Incorrect SOS. If the inquiry is directed to an incorrect SOS, and the correct SOS is not the General Services Administration (GSA), DAASC **shall** reroute the transaction to the correct SOS and transmit DS **to Federal IC 870L, Special Program Requirement (SPR)/ Logistics Asset Support Estimate (LASE) Status**, to the submitter citing Status Code BM. Recipients of Status Code BM **shall** update their records to reflect the correct SOS.

C2.2.4.3. GSA Directed Transactions. If the inquiry is directed to a correct GSA SOS or to an incorrect SOS, but GSA is the correct SOS, DAASC **shall** reject the transaction to the submitter with **DS to Federal IC 824, Reject Advice**, citing Reject Advice Code AB.

C2.2.5. Integrated Material Manager (IMM) Validation and Rejection. IMM **shall** reject or provide status for SPR inquiries citing the appropriate reject or status code as follows:

C2.2.5.1. Obsolete Items. Reject inquiries received for an obsolete/inactive National Stock Number (NSN) **that** the IMM cannot support with a **DS** 824.

C2.2.5.2. Non-Centrally Managed Items. Reject inquiries received for an item that is not centrally managed and stocked.

C2.2.5.3. Federal Supply Classification (FSC)/National Item Identification Number (NIIN) Compatibility. When the IMM receives an SPR inquiry with an incompatible FSC and NIIN, the IMM **shall** research to determine if the FSC matches a previously assigned FSC for the NIIN.

C2.2.5.3.1. Matching FSC. If the submitted FSC matches the previous assigned FSC, change the FSC to the current (correct) FSC, continue processing the inquiry, and furnish the submitter with a DS 870L status, citing Status Code BG. Recipients of Status Code BG **shall** update their records to reflect the correct FSC.

C2.2.5.3.2. Non-Matching FSC. If the FSC does not match, reject the inquiry to the submitter with **DS** 824 citing Status Code CG.

C2.2.6. IMM Processing of SPR Requests

C2.2.6.1. SOS Risk. The IMM measures the size of the requirement being forecasted to determine its acceptability in terms of the risk of long supply being generated. This measurement requires consideration of the size of the forecasted quantity in relation to the normal demand estimated for the item being forecasted, the value (cost) of this quantity, the supply status of the item being forecasted, funding capability of the IMM, accuracy of past forecasts, and the degree of assurance that requisitions will follow.

C2.2.6.2. SPR Status Transaction. The IMM **shall** determine action to be taken on the SPR and within 15 calendar days after receipt of the request **shall** provide appropriate status using the DS 870L. SPR status transactions **shall** advise the forecasting activity of acceptance, rejection (other than for correction and resubmission), or other action required on the SPR. When an IMM receives an SPR request **that** cannot be processed due to erroneous or missing data, the IMM **shall** reject the request for correction and resubmission.

C2.2.7. Follow-up on SPR Requests. When the forecasting activity has not received a DS 870L status transaction or a **DS** 824 within 21 calendar days from the DS 830R submission date, the forecasting activity may submit an SPR inquiry to the ICP using the DS 830R.

C2.2.8. ICP Action on SPR Follow ups

C2.2.8.1. No Record of Receipt. When there is no record of receipt of the original SPR request, the IMM **shall** process the SPR inquiry as an original SPR request.

C2.2.8.2. Replies to SPRs. IMMs **shall** prepare replies to SPR inquiries, as specified in **section C2.2.5** above.

C2.2.9. Modification of SPR Requests. The forecasting activity **shall** use the DS 830R to submit changes for a previously submitted SPR request to replace data in the original request. Submit SPR modifiers only to change the quantity, the project code, the coast designator, the support date, the ship-to address, and/or the initiator of the SPR requirement. If the originator of the SPR modifier differs from the originator of the original SPR, maintain a record of the revised originator.

C2.2.10. Response to SPR Modifiers. The ICP **shall** prepare replies to SPR modifiers, as specified in **section C2.2.5**, above.

C2.2.11. Cancellation of SPR Requests. The forecasting activity **shall** use the DS 830R to submit an SPR cancellation for a previously submitted SPR request. Cancellations must be for the total quantity applicable to the SPR.

C2.2.12. Response to SPR Cancellations. The ICP **shall** reply to DS 830R cancellations with DS 870L. status citing **SPR** Status Code PD indicating that the cancellation was accepted.

C2.2.13. Acceptance/Rejection of Substitute Item. Forecasting activities in receipt of SPR responses offering a substitute item **shall** transmit a DS 830R indicating rejection or acceptance of substitute material.

C2.2.14. Response to Substitute Item Rejection. The IMM **shall** initiate action on the item originally requested. The IMM **must** prepare status responses, as specified in **section C2.2.5**, above.

C2.2.15. Retention of SPR Requests. The ICP **shall** retain SPR requests until:

C2.2.15.1. The support date of those requirements for which **SPR** Status Code PA was furnished or until a requisition is received **that** can be identified to all or a portion of a particular SPR quantity.

C2.2.15.2. One procurement lead time/assembly time away from the support date when procurement/assembly is required in support of those requirements for which SPR Status Code PB was furnished.

C2.2.15.3. Assembly time prior to support date when extra time is required for assembly in support of those requirements for which SPR Status Code PC was furnished.

C2.2.16. Follow-on Status. The IMM **shall** provide revised DS 870L when the situation changes (e.g., change in procurement lead time, procurement is required for material originally anticipated to be available from stock, etc.). Generally, these situation changes are unusual in nature, are not programmed for, and require off-line processing. IMMs **must** provide the status, as specified in **section C2.2.5**, above.

C2.2.17. Preparation of SPR Shipments

C2.2.17.1. Response Timeframe. When a DS 870L citing SPR Status Code PA is received, requisitions citing Demand Code P should be submitted for the SPR related requirements in time to allow for delivery within the appropriate time standard prescribed by Uniform Material Movement and Issue Priority System (UMMIPS). Demand Code P indicates to the ICP that the requisition is for material previously forecasted as an SPR. This enables the ICP to control and apply the appropriate logic for the demand generated by the requisition.

C2.2.17.2. Establishing Audit Trail. Requisitions submitted as a result of an SPR **shall** include the transaction number from the original SPR to establish an audit trail between the SPR and the subsequent requisitions. This audit trail provides a means to determine whether follow-on requisitions are submitted for requirements forecasted through SPRs.

C2.2.17.3. Item Deletion. When a DS 870L is received citing SPR Status Code PR, the SPR is being deleted and the item is a procurement lead time/assembly time away from the support date. If the requirement is still valid, the requiring activity must immediately submit a DS **to Federal IC** 511R, Requisition, citing Demand Code O.

C2.2.18. Logistics Reassignments

C2.2.18.1. Logistics Loss. When an item is involved in a logistics loss to an IMM of another **DoD Component**, the losing inventory manager (LIM) **shall** send a DS 870L to the forecasting activity. This status **shall** indicate that the item has been involved in an logistics reassignment and a new DS 830R must be submitted to the gaining inventory manager (GIM).

C2.2.18.2. Logistics Loss within Same DoD Component. When the logistics loss is to an IMM within the same **DoD Component**, the LIM **shall** forward the record of the DS 830R to the GIM. No status need be furnished the forecasting activity.

C2.3. DEMAND DATA EXCHANGE FORECASTS. *This section provides procedures for the exchange of demand forecast data between the Defense Logistics Agency (DLA) and DOD customers. The two components of this business process are the*

transmission of customer requirements via DDE and DLA/customer collaboration. Business rules for the submission and processing of demand data exchange shall be documented in a DLA customer support agreement. This agreement must be in place prior to the initial submission of DDE. DLA will use the DDE/collaboration process to improve the accuracy of DLA's demand planning to support customer's requirements.

C2.3.1. Forecasting activities may submit to DLA their forecasts/collaboration data for future requirements expected to be obtained from DLA using DS 830R for DDE forecasts. Separate forecasts into monthly periods based on the projected dates that the materiel will be ordered from DLA, following the prescribed format. Types of demands for which collaboration data may be submitted include, but are not limited to:

C2.3.1.1. Requirements for which the DOD Component has a recurring demand.

C2.3.1.2. Subsistence, all categories.

C2.3.1.3. One-time training exercises or maneuvers.

C2.3.1.4. Repair or rebuild programs which are either nonrecurring or which are seldom or irregularly programmed.

C2.3.1.5. New constructions (ships, buildings, etc.).

C2.3.1.6. One-time alterations, modifications, or conversion programs.

C2.3.1.7. Initial issue of existing items (i.e., outfittings, activations, and changes in authorized allowances).

C2.3.1.8. Initial requirements for special operational projects.

C2.3.1.9. Requirements for initial testing.

C2.3.1.10. Requirements for infrequently planned support operations such as Arctic and Antarctic resupply missions.

C2.3.1.11. Special situations of a nonrepetitive nature when required in support of authorized Security Assistance Program requirements (e.g., initial pipeline stockage requirements in support of approved Cooperative Logistics Supply Support Arrangement (CLSSA), etc.)

C2.3.2. DDE Submission and Routing

C2.3.2.1. Submission Timeframe. DS 830R forecasts should be submitted each month. Demand forecasting data should be submitted by the 1st of the month with a buffer until the 6th of the month to accommodate transmission errors or failures.

C2.3.2.2. Forecasting. Forecasting activities shall prepare a DS 830R for each item (i.e., National Item Identification Number (NIIN)) for which the customer wishes to collaborate with DLA. Each transaction set must include the forecast period beginning date and the forecast period ending date. The forecast period spanned can be as little as 12 months or as much as 60 months.

C2.3.3. DAASC Processing. DAASC shall route all DDE transactions to DLA's Enterprise Processing Center, SOS "SMS."

C2.3.4. DLA Validation of NIIN. DLA shall screen transaction sets and will only accept for processing valid NIINs.

C2.3.5. DLA Processing of DDE Data. DLA shall compare the collaboration customer's forecast to the projected customer forecast calculated by the Planning and Collaboration Subsystem (i.e., Manugistics).

C2.3.5.1. Those items that exceed system tolerance parameters shall be flagged for collaboration interaction with the customer and the customer will be notified.

C2.3.5.2. Items previously identified for inclusion in DDE that are not in the current DDE submission shall be flagged for review. If the customer indicates the item should be removed from the DDE effort by annotation of a "C" in 2/LIN01/010 the review flag must not be set and the item will be removed from the DDE/collaboration effort.

C2.3.5.3. The setting of system tolerance parameters used in this review requires consideration of the following: size of the forecasted quantity in relation to the Planning and Collaboration Subsystem forecasted demand for the item; value (cost) of the forecast quantity; supply status of the item being forecasted; funding capabilities; accuracy of customer's past forecasts; and degree of assurance that requisitions will follow.

C2.3.6. Collaboration Interaction. Those items that exceed system tolerance parameters shall be flagged for collaboration interaction with the customer. The point of contact for the customer will be alerted to the need for collaboration via e-mail. The customer will have until the 16th of the month to complete the review and response to the collaboration request. The DLA demand planner will then have until the 25th of the month to complete the review and publish the demand plan for inclusion in the supply plan.

C3. CHAPTER 3

WAR MATERIAL REQUIREMENTS AND SIMULATED MOBILIZATION EXERCISES

C3.1. GENERAL. This chapter prescribes procedures and responsibilities for:

C3.1.1. Submission of DS to **Federal IC 830W**, War **M**aterial **R**equirements (WMR), **application** from the DoD Components to the IMMs of the Military Departments, **DLA**, and GSA.

C3.1.2. Edit and validation of DS 830W data by IMMs and rejection of incomplete or invalid input.

C3.1.3. Providing output from the LIM to the GIM upon logistical reassignment of an item.

C3.1.4. Guidelines that affect simulated mobilization exercises.

C3.2. WMR

C3.2.1. DoD Policy. DoD policy for management and development of WMR is contained in DoD Directive 3110.6.

C3.2.2. Data Transmission. **The** DoD Components **shall** send DS 830W data to reach IMMs by 15 February of each year and will submit corrections and/or changes as required. Do not submit zero quantity requirements.

C3.2.3. DoD Component Input. The IMM will control each DoD Component's input WMR data transactions, edit the DS 830W, and validate the edited transactions for adequacy and accuracy of data. The IMM will consider validated requirements in the annual computation of the Balance War Reserve, and in any recomputation of these requirements upon receipt of corrected or revised input. When a DS 830W contains an invalid NSN, unit of issue, quantity or date, process a **DS to Federal IC 824R, Reject Advice**. However, when the transaction is invalid for any other reason, manually reject the entire submission to the submitting DoD Component. Include all rejects on a listing showing an image of the input transaction and a code identifying the reason for the reject. Mail the listing together with a letter explaining the reject code and action (s) required by the submitter.

C3.2.4. Reassigned Items. When items are logistically reassigned, the LIM will send the GIM a listing of WMR data with a supporting DS 830W, as prescribed **in Chapter 9, paragraph** C9.4.6.

C3.3. SIMULATED MOBILIZATION EXERCISES. When establishing plans that require simulated mobilization exercises, identify the associated transactions as simulated mobilization exercise transactions as provided for in the applicable implementation convention. Do not process simulated mobilization transactions in the supply distribution system(s) as action documents which affect accountable/unit records. **The DoD Component** activities responsible for initiating these exercises must use extreme caution to ensure procedures are explicit and that complete coordination with all participants is **done**.

C4. CHAPTER 4

REQUISITIONING

C4.1 GENERAL. This chapter prescribes procedures for the preparation and submission of requisitions with specific requisitioning requirements involving Government Furnished Material (GFM), Security Assistance (SA), Not-Mission-Capable Supply (NMCS), Anticipated NMCS (ANMCS), Pre-Positioned War Reserve Material Stock (PWRMS), conventional ammunition, subsistence, and GSA nonmailable items. This chapter also provides procedures for requisition cancellations, modifications, and inquires. In addition, this chapter prescribes the supply source processing procedures of the aforementioned transactions including the preparation and processing of the material release, material release advice, and DAAS edits associated with requisition processing.

C4.2 PREPARATION OF REQUISITIONS. Requisitioning organizations must use the DS to Federal IC 511R, Requisition, to submit requisitions for all material requirements.

C4.2.1. Transaction Reference Number

C4.2.1.1. General. The transaction reference number identifies each requisition within the supply system as follows:

C4.2.1.1.1. Identification Code. This consists of the first six positions of the transaction reference number and is a six-position constructed code for identification purposes. Use the applicable DoD Activity Address Code (DoDAAC) (AAC for Federal Civil Agencies) or International Logistics Control Office (ILCO) assigned identification code for SA requisitioners not assigned a DoDAAC. For Military Assistance Program (MAP)/Grant Aid (GA), the Service/Agency code identifies the U.S. Service or Agency responsible for administering the program line in the first position, the country or international organization code in the second and third positions, the customer-within-country code in the fourth position, a zero in the fifth position, and the type of assistance and financing code in the sixth position. For Foreign Military Sales (FMS), the Service assignment code identifies the U.S. Service responsible for administering the case in the first position, the country or international organization code in the second and third positions, the customer-within-country code in the fourth position, the delivery term code in the fifth position, and the type of assistance and financing code in the sixth position. (NOTE: Shipments to Canada identify the customer-within-country code as a two-position code in the fourth and fifth positions.)

C4.2.1.1.2. Transaction Control Date. This is a four-position ordinal date (one position year of century and three-position day of year) (seventh through tenth positions) to identify the requisition preparation date.

C4.2.1.1.3. Serial Number. This is the assigned four-position line item code (eleventh through fourteenth positions) for each requisition within the transaction set. Use the Utilization Code in the LQ segment to identify the purpose of the requisition.

C4.2.1.2. Priority Designators and Required Delivery Dates

C4.2.1.2.1. Assignment of Priority Designator (PD). The PD is based upon a combination of factors that relate the relative importance of the requisitioner's mission, expressed by its Force or Activity Designator (F/AD)(a Roman numeral) and the urgency of need of the end use expressed by the Urgency of Need Designator (UND). The F/AD is assigned by the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, or a DoD Component authorized by the Chairman of the Joint Chiefs of Staff, to assign F/ADs for their respective forces, activities, programs, or projects. The criteria for assignment of an appropriate F/AD is in [DoD 4140.1-R](#). The requisitioning activity determines the UND (an alphabetic character).

C4.2.1.2.2. Commanding Officer Responsibilities. Commanding officers of requisitioning installations are responsible for the accurate assignment of PDs consistent with the F/AD and UND, and the validity of required delivery dates (RDDs) when assigned to requisitions. Similarly, commanding officers of ILCOs, receiving requisitions from SA requisitioners, are responsible for review of assigned PDs and delivery dates. Commanding officers must also do the following reviews prior to sending requisitions to the supply source:

C4.2.1.2.2.1. Commander Requirements Review. Commanders (or acting commanders during absences) shall personally review all requirements based on UND A to certify an inability to perform the mission.

C4.2.1.2.2.2. Designation of Reviewers. Commanders shall designate, in writing, specific personnel who shall personally review all requirements based on UND B to certify that the urgency has been accurately determined.

C4.2.1.2.3. Determining UND. Determine the appropriate UND as follows:

C4.2.1.2.3.1. Using UND A. Use UND A in requisitioning material:

C4.2.1.2.3.1.1. Required for immediate end-use and without which the force or activity is unable to perform its assigned operational mission or without which the force or activity will be unable to perform its assigned operational

mission within 15 calendar days (20 calendar days if the force or activity is located outside continental United States (OCONUS)).¹

C4.2.1.2.3.1.2. Required for immediate installation on, or repair of, mission-essential material and without which the force or activity is unable to perform its assigned operational mission.

C4.2.1.2.3.1.3. Required for immediate end-use for installation on, or repair of, direct support equipment (such as ground support and fire fighting) necessary for the operation of mission-essential material.²

C4.2.1.2.3.1.4. Required for immediate end-use in the replacement or repair of mission-essential training material and without which the force or activity is unable to perform its assigned training missions.

C4.2.1.2.3.1.5. Required for immediate end-use to effect the replacement or repair of the essential physical facilities of an industrial or production activity and without which that activity is unable to perform its assigned missions.

C4.2.1.2.3.1.6. Required for immediate end-use to eliminate an existing work stoppage at an industrial or production activity that is engaged in manufacturing, modifying, or maintaining mission-essential material.

C4.2.1.2.3.1.7. Required for immediate end-use to eliminate an existing work stoppage on a production line that is performing repair and maintenance of unserviceable items having a Military Mission Essentiality Code of 1 or 2.

C4.2.1.2.3.2. Using UND B. Use UND B in requisitioning material:

C4.2.1.2.3.2.1. Required for immediate end-use and without which the capability of the force or activity to perform its assigned operational mission is impaired.

C4.2.1.2.3.2.2. Required for immediate installation on, or repair of, mission-essential material and without which the capability of the force or activity to perform its assigned operational missions is impaired.³

¹Material requirements of this nature affect the readiness of mission-essential material and actually result in a report of casualty in accordance with equipment readiness information systems authorized by the Office of the Secretary of Defense (OSD), the Chairman of the Joints Chief of Staff, or the DoD Component headquarters.

²See Footnote 1.

³See Footnote 1.

C4.2.1.2.3.2.3. Required for immediate end-use for installation on, or repair of, auxiliary equipment. Auxiliary equipment is defined as equipment which supplements mission-essential material or takes the place of such material should it become inoperative.

C4.2.1.2.3.2.4. Required for immediate end-use in the replacement or repair of mission-essential or auxiliary training equipment and without which the capability of the force or activity to perform its assigned missions is impaired.

C4.2.1.2.3.2.5. Required for immediate end-use to effect replacement or repair of the essential physical facilities of an industrial or production activity and without which the capability of that activity to perform its assigned missions is impaired.

C4.2.1.2.3.2.6. Required to preclude an anticipated work stoppage at an industrial or production activity that is engaged in manufacturing, modifying, or maintaining mission-essential material.

C4.2.1.2.3.2.7. Required to preclude an anticipated work stoppage on a production line performing repair and maintenance of unserviceable intensive management or critical items.

C4.2.1.2.3.2.8. Required for the immediate replacement of the safety level quantity of mission-essential items on allowance and load lists (such as, prescribed load lists, spares kits, station sets, or coordinated shipboard allowance lists) when the last item has already been issued.

C4.2.1.2.3.2.9. Required for immediate stock replenishment at OCONUS forward area supply activities when a customer's mission-essential stock level goes below the safety level and stock due in is not anticipated to arrive prior to stock on hand reaching a zero balance. The quantity ordered should be the minimum amount sufficient to ensure the maintenance of a positive stock balance until material that is due in actually arrives.

C4.2.1.2.3.3. Using UND C. Use UND C in requisitioning material:

C4.2.1.2.3.3.1. Required for on-schedule repair, maintenance, manufacture, or replacement of all equipment.

C4.2.1.2.3.3.2. Required for replenishment of stock to meet authorized stockage objectives.

C4.2.1.2.3.3.3. Required for purposes not specifically covered by any other UND.

C4.2.1.2.4. Deriving PDs

Table C4.T1. Derivation of Priority Designators

Priority Designators (Relating F/AD to UND)			
<u>FORCE ACTIVITY OR DESIGNATOR</u>	<u>URGENCY OF NEED DESIGNATOR</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
I	01	04	11
II	02	05	12
III	03	06	13
IV	07	09	14
V	08	10	15

C4.2.1.2.5. Validation of F/AD Activities. By direction of the Office of the Secretary of Defense, the DAASC/DLA Systems Design Center (DSDC) shall validate F/AD I usage through the requisitioning process. DAASC shall maintain an edit table consisting of authorized F/AD I activities. To preserve accuracy and timely update, the Chairman of the Joint Chiefs of Staff shall forward to DAASC all Secretary of Defense approved assignments of FAD I immediately upon approval. Telephonic or electronic communication, to include online update, with DAASC is authorized for time-sensitive updates; however, formal documentation shall be forwarded to DAASC to support inclusion of all F/AD I authorized activities. In order to maintain unclassified communication, the Chairman of the Joint Chiefs of Staff contact points are advised to identify authorized activities by DoDAAC only (no clear-text activity names) and make no reference to the associated F/AD. F/AD I requisitions (DS 511R or DS to Federal IC 511M, Modification, Transaction Type Codes A0, BM, BN, AM) that do not identify an authorized activity in the transaction reference number, ship-to, bill-to, or mark-for fields shall be identified for investigation without interruption on normal requisition processing. In addition, DAASC shall assess the validity of transactions that bypass the F/AD I validation process as a result of alternative requisition submission, e.g., Defense Supply Expert System (DESEX) input, using the requisition image transaction. Suspected abuse will be output to the Unauthorized Priority Designator Assignment Report.

C4.2.1.2.5.1. The Unauthorized Priority Designator Report produced by DAASC identifies suspected abuse of PD assignment. This report also provides visibility of requisitions downgraded automatically by DAASC during requisition processing based upon the DoD Component authorization. The report is prepared monthly. Summary sections , Parts I, II, IV, and V, are also available quarterly and annually. The report is in seven parts as follows:

C4.2.1.2.5.1.1. Part I – The DoD Component summary of requisitions submitted through DAAS

C4.2.1.2.5.1.2. Part II – DoDAAC summary by the DoD Component of requisitions submitted through DAAS

C4.2.1.2.5.1.3. Part III – Requisition detail by DoDAAC for requisitions submitted through DAAS

C4.2.1.2.5.1.4. Part IV – The DoD Component summary of requisitions not submitted through DAAS

C4.2.1.2.5.1.5. Part V – DoDAAC summary by the DoD Component of requisitions not submitted through DAAS

C4.2.1.2.5.1.6. Part VI – Requisition detail by DoDAAC for requisitions not submitted through DAAS

C4.2.1.2.5.1.7. Part VII – Requisition detail by DoDAAC for requisitions downgraded to a lower priority by DAAS

C4.2.1.2.5.2. SA Requisitions. SA requisitions (identified by Service Code B, D, K, P, or T) shall be reviewed for appropriate PD assignment by the ILCO prior to release. Specific procedures to accomplish this may be deferred until implementation of the Defense Security Assistance Management System (DSAMS). SA requisitions shall not be revalidated by DAASC against the established edit table. However, any SA requisitions with PD 01, 04, or 11 will be displayed as suspected abuse in the above report under the appropriate DoD Component heading with no activity name.

C4.2.1.2.5.3. Participating DoD Component Points of Contact Responsibilities. DoD 4140.1-R, Appendix 9, requires the DoD Components to designate a single office of primary responsibility to act as focal point for UMMIPS matters. To provide clear visibility of such points of contact, the Chairman of the Joint Chiefs of Staff, the Military Services, DLA (if needed), and GSA, will provide contact information to DLMSO for publication in the aforementioned Appendix 9. Contact information shall include office name/symbol and communications numbers (individual names are optional). Primary and alternate information should be included. The DoD Component responsibilities for monitoring F/AD assignments and conducting annual reviews are prescribed in DoD 4140.1-R.

C4.2.1.2.5.4. The DoD Component Points Of Contact: Refer to the DLMSO Home Page for list of contacts at: <http://www.dla.mil/j-6/dlms0/eLibrary/Restricted/SvcPointsPOC/default.asp>.

C4.2.1.2.6. Special Circumstance Precedence. In the following special circumstances, use the stated PD, irrespective of F/AD, but do not use for the routine replenishment of stocks to meet authorized stockage objectives:

C4.2.1.2.6.1. Emergency Medical/Disaster Supplies. Use PD 03 for medical or disaster-relief supplies or related items of equipment that are required immediately for:

C4.2.1.2.6.1.1. Prolonging life, relieving avoidable suffering, or expediting recovery in case of injury, illness, or disease.

C4.2.1.2.6.1.2. Avoiding or reducing the impact of epidemics or similar potential mass illnesses or diseases when in the opinion of medical professionals the probability of epidemics or similar potential mass illnesses is imminent.

C4.2.1.2.6.2. Emergency Civil Disturbance Equipment. Use PD 03 for emergency supplies or items of equipment that are required immediately for controlling a civil disturbance, civil disorder, or rioting.

C4.2.1.2.6.3. Individual Emergency Supplies Precedence. Use PD 06 for emergency supplies of individual and organizational clothing required immediately to provide a minimum of essential clothing to active duty military personnel who are actually without their required clothing.

C4.2.1.2.7. Specific End-Use Requisitions. If local stocks are exhausted and the local supply activity must requisition a specific immediate end-use requirement for a supported activity with a higher F/AD, the supply activity may assign a PD, commensurate with the F/AD of the supported unit, to the specific requirement. Do not use this authority for the routine replenishment requirements of the supported unit.

C4.2.1.2.8. Commercial Contractor GFM Requisitions. Whenever a DoD Component executes a contract that provides that a commercial contractor will requisition GFM from the DoD distribution system, the DoD contracting officer shall advise the contractor of the PDs to use in such contractor-prepared requisitions. The advice shall be aware of the F/AD of the national priority program, force, or activity for which the contract is executed, and the potential urgencies of need.

C4.2.1.2.9. Issue Priority Groups. PDs are grouped into Issue Priority Groups (IPGs) as follows:

C4.2.1.2.9.1. PDs 01, 02, and 03 form IPG I

C4.2.1.2.9.2. PDs 04, 05, 06, 07, and 08 form IPG II

C4.2.1.2.9.3. PDs 09, 10, 11, 12, 13, 14, and 15 form IPG III.

C4.2.1.2.10. Required Delivery Dates

C4.2.1.2.10.1. Response Time Requirements. Requisitioning activities, after determining the appropriate PD applicable to requisitions, shall determine supply transportation system response-time requirements by the designation or nondesignation of an RDD. The response times (UMMIPS time standards) are displayed in DoD 4140.1-R.

C4.2.1.2.10.2. Nonstandard Delivery Times. When an RDD shorter than the UMMIPS time standards is assigned, the appropriate PD, consistent with the activity's F/AD and UND, must be cited in the requisition.

C4.2.1.2.10.3. Customer Unspecified Delivery Date. If the customer does not specify a delivery date, the customer should expect the total time from order placement to delivery to be within the total order and ship time specified by the UMMIPS time standards.

C4.2.1.2.10.4. Ensuring Delivery. For subsistence, the RDD is mandatory in all requisitions, with the assigned PD prescribing the precedence of internal supply processing actions for requisitions showing identical RDDs. To ensure delivery on the RDD, the ICP/depot may bank the requisitions until the correct processing date; computed by subtracting number of days needed for depot processing and transit time from the RDD. Submit all requisitions using schedules established by the ICP.

C4.2.1.2.10.5. Collocated Customers. If the customer is collocated with the supply depot issuing the material, or has, through local negotiations, obtained collocated customer status and does not require the fastest possible service of the supply and transportation system, the customer should cite Special Requirements Code 444 in the LQ segment and not indicate an RDD.

C4.2.1.2.11. Expedited Handling and Expedited Transportation

C4.2.1.2.11.1. Using Special Requirements Code 777. Requisitioners may request expedited handling and transportation by citing Special Requirements Code 777.

C4.2.1.2.11.2. CLSSA Requisitions. For SA, use of this code is restricted to approved CLSSA requisitions with Type of Assistance Code U or V.

C4.2.1.3. Nonreimbursable Material. Use the no-charge indicator in non-excess personal property requisitions to identify the requisitions for nonreimbursable material. Use the utilization code in requisitions to the Defense Reutilization and Marketing Service for excess personal property requisitions to denote free issue. See Chapter 16 for reutilization and marketing requisitioning procedures.

C4.2.1.4. Exception Data. Requisitioners must limit repetitive exception data to aid the timely supply source processing of requisitions to meet IPG processing times, standard delivery dates (SDDs), or RDDs, particularly those which satisfy high priority requirements. Use available requisitioning capabilities to ensure maximum utilization of automated processes. Processing exception data requisitions is resource intensive, prone to errors, and generally delays required support. The supply sources shall disregard all unnecessary exception data (such as ship by commercial air, do not use postal system, ship by fastest traceable means, or ship overnight delivery) and continue processing. Supply sources shall process all requisitions under UMMIPS (see DoD 4140-1-R). Within the UMMIPS time segment for transporting the material, it is the shipper's prerogative to select the mode of shipment based on time, distance, item characteristics, and economic factors. The repetitive use of the same exception ship-to address is an uneconomical way of doing business for all concerned. A separate DoDAAC assignment for this type of ship-to address should be made or the Transportation Account Code (TAC) 2 address of the involved activity should be changed and the resulting DoDAAC(s) used on applicable requisitions. Activities having multiple locations should assign a separate DoDAAC to each receiving location. It is incumbent upon the requisitioner to work with the applicable DoD Component focal point to develop procedures to automatically process requisitions.

C4.2.1.5. Limitation on Use of Exception Data

C4.2.1.5.1. Applicability. Exception data shall normally be limited to the conditions listed below. Commanders must approve, or delegate in writing to specific personnel to approve, the submission of exception-data requisitions.

C4.2.1.5.2. Authorized Conditions. Authorized conditions for use of exception ship-to addresses are listed below. Requisitions containing exception ship-to addresses other than those listed shall be rejected with Status Code D6.

C4.2.1.5.2.1. Sales/donations/issues of material to qualifying Federal, state, or civil organizations or individuals approved by the Service Secretaries.

C4.2.1.5.2.2. Issues of nuclear assets as directed by Defense Threat Reduction Agency to Department of Energy contractors.

C4.2.1.5.2.3. Material in SCC L to contractors.

C4.2.1.5.2.4. Issues required by national emergency or natural disasters.

C4.2.1.5.2.5. Shipments to contractors for special testing.

C4.2.1.5.2.6. Requisitions from deployed naval units with an R or V in the first position of the transaction reference number; Utilization Code E, G, or W; PD 01, 02, or 03; and Special Requirements Code 999.

C4.2.1.5.3. Exception Data. Exception data will normally be limited to the following:

C4.2.1.5.3.1. Non-NSN lumber products identified and ordered by description only or other commodities that require additional descriptive information.

C4.2.1.5.3.2. Authorization/identification for items when such requirement is imposed by the ICP, or by the parent Service, or the requisitioning activity.

C4.2.1.5.3.3. NSN requirements needing additional identifying information; for example, requisitions initially rejected with Status Code CG or CJ.

C4.2.1.5.3.4. Requisitions for LEVEL 1/SUBSAFE and nuclear reactor plant material.

C4.2.1.5.3.5. NSN items for chemicals for boiler water and feed water analysis.

C4.2.1.5.3.6. Requisitions used to establish a registered user with the ICP in a Primary Inventory Control Activity (PICA)/Secondary Inventory Control Activity (SICA) situation.

C4.2.1.5.3.7. Requisitions for Marine Corps Pre-Positioned War Reserve (PWR) or Pre-Positioning Ships Program.

C4.2.1.5.3.8. DoD EMALL-generated requisitions using IMPAC card as the method of payment.

C4.2.1.6. SPRs. Requisitions resulting from SPRs must cite the associated SPR transaction number to establish an audit trail between the draw-down requisition and the SPR against which the requirement was established.

C4.2.1.7. Nonstandard Material. The requisitioner may cite an estimated unit price to advise the supply source of a reasonable expectation of the cost of the item. The supply source may contact the requisitioner, if in its estimation, the price incongruity between estimated price and quoted price warrant further clarification relative to the item being ordered. Requisitioners should use the last price paid as their estimate if they have previously ordered the item or use the price of a similar item ordered if they have not previously ordered the item.

C4.2.1.8. Contract Information. All GFM requisitions for or by contractors must identify appropriate contract data.

C4.2.2. GFM Requisitions

C4.2.2.1. General

C4.2.2.1.1. Purpose. This section prescribes policies and procedures for requisitioning GFM/**CFM** by or for contractors from the DoD Supply System. These procedures establish guidelines for requisitioners, authorized contractors, and the DoD Components to obtain GFM from DoD inventories in support of contract requirements. ***These procedures also support the use of DLMS requisitioning by authorized contractors to obtain material from Government supply sources to be used as CFM under controls established by the authorizing Component and as specified in this chapter.***

C4.2.2.1.2. DoDAAC Assignment. The DoD Components shall assign a DoDAAC to each management control activity (MCA). Requisitioners, authorized contractors, and the DoD Components shall send all requisitions for GFM to the appropriate MCA for validation.

C4.2.2.1.3. Violations. Any attempt to circumvent GFM/**CFM** validation requirements is sufficient cause to refer the violation to the appropriate criminal investigating activity to determine possible fraud, waste, and abuse. The sponsoring Service or monitoring activity must refer all violations to the criminal investigators based on reports of rejected transactions or violations discovered during the post-validation process.

C4.2.2.1.4. Applicability. These procedures apply to all **contractors and all DoD Components** requisitioning GFM **or CFM** from DoD supply **sources**. The production of ammunition is excluded from GFM control.

C4.2.2.2. Preparation of Requisitions **and Related Transactions** For **GFM to Contractors**

C4.2.2.2.1. Initiation. ***Requisitions for GFM may be initiated by the responsible DoD Component or, subject to the terms of the contract, by contractors. Requisitions for GFM will be prepared and initially submitted by GFM requisitioners, both contractors and DoD Components using current DLMS media transmission techniques to the MCA designated for monitoring the contract. Transmission through DAAS shall be used to the extent practical.***

C4.2.2.2.2. Supply Source Processing. Supply sources shall process requisitions **and associated transactions** containing the DoD Component codes designated for contractors under GFM controls and restrictions except when the issue **will be for CFM with** contractor reimbursement by other than an Army contractor. All

Army contractor requisitions and associated transactions **shall be processed** under GFM/**CFM** controls.

C4.2.2.2.3. Required Information. All GFM requisitions must include GFM-related information as follows:

C4.2.2.2.3.1. MCA monitoring the contract.

C4.2.2.2.3.2. DoDAAC of the contractor requesting and/or receiving the material.

C4.2.2.2.3.3. Indication when issue is without reimbursement.

C4.2.2.2.3.4. Identification of the manufacturing directive number (MDN) or contract number.

C4.2.2.2.3.5. Identification of the call or order number, when applicable.

C4.2.2.3. Submissions of GFM Requisitions

C4.2.2.3.1. Applicability. Requisitioners, control offices, and monitoring activities must submit all requisitions and associated transactions for GFM, regardless of origin (such as contractor-or DoD Component-initiated), to the appropriate DoD Component MCA.

C4.2.2.3.2. Forwarding. After validating the GFM requisitions, the DoD Component MCA shall forward the validated requisitions to the supply source. The DoD Component MCA may pass validated transactions internally where the MCA and supply source are collocated. The DoD Component MCA shall send the validated transactions via DAAS when the MCA and supply source are not collocated.

C4.2.2.4. MCA Processing of GFM Requisitions **and Related Transactions**

C4.2.2.4.1. MCA Actions. The MCA shall receive and validate the data in the GFM requisitions **and related transactions** based on the criteria furnished by the procurement and/or contracting offices. The MCA shall make changes, reject, or continue the processing action. The MCA shall:

C4.2.2.4.1.1. Item Verification. Verify the item requisitioned against a valid contract to determine authority for issue to the contractor. If blank, incorrect, or not authorized, reject with Status Code DN.

C4.2.2.4.1.2. Contract Authorization. Determine if the item ordered is authorized by contract, verify the quantity. If blank or invalid, reject with Status Code CD.

C4.2.2.4.1.3. Unit of Issue Validation. Validate the unit of issue in conjunction with the quantity to ensure that the quantity requisitioned does not exceed the authorized quantity. (NOTE: If a change of unit pack has occurred, appropriate adjustment should be made for the quantity authorized.). If the requisitioned quantity exceeds the remaining quantity authorized, reject the quantity that exceeds the authorized quantity with Status Code DJ. If the authorized quantity has been exhausted by previous requisition(s), reject the total quantity requisitioned with Status Code DQ.

C4.2.2.4.1.4. Contractor DoDAAC Validation. Determine if the contractor DoDAAC is valid, and if incorrect or not authorized, reject with Status Code DN.

C4.2.2.4.1.5. Contract Number Validation. Determine if the MCN or contract number is valid and if invalid, reject with Status Code DB.

C4.2.2.4.2. History Files. The MCA shall maintain a requisition history file to serve as an auditable record of each GFM transaction. In addition, the MCA shall generate reports required by DoD 4140.1-R.

C4.2.2.4.3. Telephonic Requisitions. Under emergency conditions, such as a potential contract work stoppage, the MCA may receive telephonic requisitions, PDs 01-08, for GFM. When this occurs, the MCA may telephone the requisitions to the appropriate supply source and validate the requirements afterward. If the post validation process reveals the requisitioner is not authorized GFM, the MCA shall:

C4.2.2.4.3.1. Send cancellation requests to the appropriate supply source and

C4.2.2.4.3.2. Advise the appropriate criminal investigating agency for determination of fraud, waste, and abuse.

C4.2.2.4.4. Forwarding. Upon completion of the validation process, the MCA shall identify itself as the FROM organization in the transaction and forward the transactions, or internal transactions (optional only when the MCA and supply source are collocated in the same distribution system), to the applicable supply source via DAAS.

C4.2.2.5. MCA Processing of GFM Validation Requests. MCAs in receipt of a GFM validation request (DS to Federal IC 517G, GFM Validation) shall validate the data by the response due date indicated in the validation request and forward a GFM validation response (DS 517G) to the applicable supply source as follows:

C4.2.2.5.1. If the requisition has been previously validated, cite Advice Code 2M.

C4.2.2.5.2. If the requisition has not been previously validated and the call order number/procurement instrument identification number (PIIN) (or MDN) is not present, cite Advice Code 2U.

C4.2.2.5.3. If the requisition has not been previously validated and the call order number/PIIN (or MDN) is present, validate the stock number, unit of issue/quantity, and contractor and generate the GFM Validation response as follows:

C4.2.2.5.3.1. If the validation process reveals that the contract is not valid, respond with Advice Code 2U.

C4.2.2.5.3.2. If the validation process reveals that the requested quantity exceeds the contract authorized quantity, respond with Advice Code 2R and indicate the quantity approved for issue in the QTY segment.

C4.2.2.5.3.3. If the validation process reveals that the requested quantity totally exceeds the contract authorized quantity, respond with Advice Code 2Q and indicate the total quantity is disapproved for issue in the QTY segment.

C4.2.2.5.3.4. If the validation process reveals that the requested item, or contractor is not authorized GFM under a valid contract, respond with Advice Code 2V.

C4.2.2.5.3.5. If the validation process reveals that the requested item is authorized, respond with Advice Code 2M.

C4.2.2.5.3.6. MCAs in receipt of DS 870S transactions with Status Code BF will review for establishment of a valid requisition. If the requisition is valid a DS 869F transaction will be generated. If a valid requisition does not exist, a report will generated for internal review.

C4.2.2.6. Supply Source Processing of GFM Requisitions ***and Related Transactions***

C4.2.2.6.1. General. Supply sources receiving GFM requisitions, modifiers, inquiries, and cancellations, regardless of the method of transmission, shall process such transactions under these procedures. Supply sources receiving GFM requisitions for items not managed by their activity shall reject the requisitions with Status Code CH. Supply sources shall edit the GFM transactions for the prescribed data elements and codes and correct, continue the processing actions, or provide the appropriate reject status.

C4.2.2.6.2. Validation. Supply sources shall validate all GFM transactions. Supply sources ***in receipt of requisitions, passing orders, referral orders, modifiers, or follow-ups being treated as requisitions, containing a contractor's service code*** shall perform the supply source/MCA validation process ***except when the signal and fund codes indicate the issue will be with contractor***

reimbursement by other than an Army contractor. All Army contractor requisitions and associated transactions will be processed under GFM/CFM controls. The supply source/MCA validation process is not required when an internal requisition transaction is received from a collocated MCA in the same distribution system. However, supply sources must have safeguards in place to ensure that only internal transactions generated by the collocated MCA are accepted/processed.

C4.2.2.6.3. Telephonic Requisitions. Under emergency conditions, supply sources may receive telephonic (PD 01-08) requisitions from the MCA or requisitioner. The supply source may process these requisitions for immediate supply action and complete the GFM validation process later. If the validation process reveals the activity is not authorized GFM, refer the incident to the appropriate criminal investigating agency.

C4.2.2.7. Supply Source GFM Validation Process. For each GFM requisition, the supply source shall employ one of the following options:

C4.2.2.7.1. Create and forward a validation request (DS 517G) to the MCA identified in the requisitioner's transaction. If the MCA is invalid or missing, reject with Status Code CL.

C4.2.2.7.2. Create and forward a GFM validation request to DAASC even if an MCA is contained in the requisitioner's transaction. DAASC shall perform edits regarding the validity of the MCA data under subparagraph C4.2.2.8.

C4.2.2.7.3. Use a combination of the above options: one for intra-Component transactions and one for inter-Component transactions.

C4.2.2.7.4. Suspend further supply support action on the requisitioner's transaction pending receipt of the GFM validation response.

C4.2.2.7.4.1. If the GFM validation response is not received by the response due date indicated in the GFM validation request, reject the requisitioner's transaction with Status Code DR.

C4.2.2.7.4.2. Upon receipt of the GFM validation response, the supply source shall process the suspended transaction using instructions provided by the advice/status code.

C4.2.2.7.4.3. If Advice Code 2U, reject with Status Code DB.

C4.2.2.7.4.4. If Advice Code 2R, process for the approved quantity indicated in the GFM validation response. Reject the quantity difference between the suspended transaction and the GFM validation response with Status Code DJ.

C4.2.2.7.4.5. If Advice Code 2Q, reject with Status Code DQ.

C4.2.2.7.4.6. If Status Code CL, reject with Status Code CL.

C4.2.2.7.4.7. If Advice Code 2V, reject with Status Code DN.

C4.2.2.7.4.8. If Advice Code 2M, process under applicable supply source procedures.

C4.2.2.7.4.9. If the advice/status code is invalid or an advice/status code is not indicated, reject with Status Code DR.

C4.2.2.7.4.10. If a GFM validation response is received and there is a record of the requisition, but a GFM validation request has not been submitted, discard the GFM validation response and generate a GFM validation request.

C4.2.2.7.4.11. If a GFM validation response is received and there is no record of the requisition, provide Status Code BF.

C4.2.2.8. DAAS Processing Of GFM Transactions. DAAS shall pass the following:

C4.2.2.8.1. All GFM transactions to the identified MCA. If the MCA is not a valid MCA, reject with Status Code CL.

C4.2.2.8.2. All GFM validation requests to the identified MCA. If the MCA is invalid, generate a GFM validation response with Status Code CL to the supply source.

C4.2.2.8.3. All GFM validation responses to the identified supply source.

C4.2.2.9. Contractor Requisitions for CFM

C4.2.2.9.1. Army CFM Controls. Requisitions for material from Government supply sources for shipment to contractors which identify the contractor as the bill-to activity are not subject to GFM MCA controls with the exception of Army contractor requisitions to which MCA controls are applicable. DAAS will perform the validation of transactions for Army contractor requisitions of CFM for those items which contractors are authorized to requisition as CFM as specified in this chapter and for non-wholesale level supply as designed by the contractor-series DoDAAC. DoD Components will establish appropriate procedures for oversight of CFM requisitions in accordance with the Federal Acquisition Regulation.

C4.2.2.9.2. DAAS Processing Of CFM Transactions. The process described in this subparagraph provides mandatory CFM controls for CFM requisitions where the bill-to-activity, as identified in the requisition, is an Army contractor and the source of supply is DLA. This process is optional for other DoD Components and may be expanded to include other sources of supply, if needed. DAAS will maintain a list of DoD Component authorized contractor DoDAACs and the associated NSNs/DoD-managed part numbers for which these

contractors may submit CFM requisitions on a CFM Authorized Material Table for use in validating requisitions regardless of method of payment. CFM contractors which match the CFM Authorized Material Table by DoDAAC, but do not match by NSN or part number, will be rejected with Status Code CL (go to and enter "status code" and click submit at: <https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp>); requisitions which match on DoDAAC and NSN/part number will be processed as valid. DAAS will enter the DAAS RI (go to: <http://www.dla.mil/j-6/dlmso/elibrary/Manuals/MILSTRIP/word/0202-AP2-02.doc>) SGA or SHA as the validating MCA. DAAS will perform DS 517G validation requirement for authorized CFM requisitions which match to the CFM Authorized Material Table. DAAS will furnish CFM reports upon request for use by the contracting officer in verifying that quantities ordered are within the contract allowance. Army contractor requisitions which do not match the CFM Authorized Material Table will be processed by DAAS under the MCA waiver exception process or passed to the applicable MCA. CFM requisitions for other Service contractors will be passed to the supply source. NSNs listed in the table may be modified over the course of this agreement when appropriate Army contracting officer provides such authority. Updates to the authorized list will be collected, consolidated into one excel file by the designated DLA Lead Center POC with proof of Army Contracting Officer (CO) concurrence and provided to HQs DLA Army Performance Based Logistics (PBL) action officer. DLA will coordinate updates to individual contractor lists with DLA DoD EMALL and DAASC on a monthly basis. To optimize program changes, all additions to Army partnership lists will be made during an agreed-to monthly timeframe among DLA and support entities.

C4.2.2.10. Preparation of DoD EMALL Requisitions by Contractors.

Authorized contractors may establish DoD EMALL accounts to facilitate submission of requisitions for material. To register, go to <http://www.emall.dla.mil> and click on New User Registration. Prior to establishing the account, the applicable contracting officer must ensure that the contractor is authorized access to Government supply sources and must agree to review monthly or quarterly reports prepared by the DoD EMALL monitoring contractor activity. The applicable contracting officer must also provide a list of approved NSN/part numbers associated with each account/contractor DoDAAC for Army authorized CFM. Army contractors will be processed under GFM/CFM controls as described.

C4.2.2.10.1. DoD EMALL will validate that contractors are authorized to purchase material from DoD supply sources as a prerequisite for submission of EMALL orders. DoD EMALL requisitions for GFM will be subjected to prescribed rules for MCA controls within DoD EMALL or within the DAAS. DoD EMALL CFM requisitions indicating method of payment by corporate credit card are subject to special processing controls as described below. Additionally, CFM requisitions for Army authorized contractors will be validated to ensure that

requisitioned NSNs or DoD managed part numbers are authorized regardless of the method of payment under CFM controls described above.

C4.2.2.10.2. The DoD EMALL program office will identify to DAASC all contractors authorized access to Government material for purchase as CFM using a corporate credit card as the method of payment. DAAS will maintain these DoDAACs as an authorized contractor edit table referenced hereafter as the DoD EMALL CFM Table) to be employed during initial processing and for DS 517G processing.

C4.2.2.10.3. DoD EMALL requisitions for shipment to contractors using payment by corporate credit card are assigned Signal Code B, Fund Code XP, and the supplemental address of the DoD EMALL DoDAAC (SP5200). This configuration identifies a Government DoDAAC as the bill-to activity, therefore triggering DAAS and the DoD-Component supply source processing systems to misinterpret such transactions as GFM requisitions. DAAS will validate these transactions against both existing GFM edits and the DoD EMALL CFM Table to determine appropriate action. If the contractor requisition does not contain a valid MCA identification code and the DoDAAC is not listed in the DoD EMALL CFM Table, DAAS will reject with Status Code CL. If an MCA is identified by either a distribution code or an RI, DAAS will forward the requisition to the supply source. Supply source will submit a DS 517G to DAAS for validation following GFM MCA procedures (including Army CFM). DAAS will recognize the EMALL supplemental address and again employ existing GFM edits and the DoD EMALL CFM Table to take appropriate action. If the validation using the DoD EMALL CFM Table, identifies the contractor DoDAAC as authorized by the contracting officer for ordering CFM using corporate credit cards, then DAASC will validate the requisition and respond to the supply source with a DS 517G using Advice Code 2M indicating the requisition is valid. The supply source will continue processing. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table, but the requisition contains a valid MCA code, then DAASC will forward the DS 517G to the MCA for validation. If the contractor DoDAAC is not contained on the DoD EMALL CFM Table, or does not match the CFM Authorized Material Table, when applicable, and the requisition does not contain a valid MCA code, then DAAS will provide a DS 517G with Status Code CL indicating the transaction is invalid. The supply source will reject the requisition.

C4.2.2.10.4. In order to support DoD requirements for oversight of material sold to contractors, the DoD EMALL program office will provide reports to monitor contractor activity. For contracts having a maximum total dollars ceiling, a DoD EMALL report will be provided to the contracting officer when the accumulative value of CFM ordered reaches 80% of the ceiling.

C4.2.2.11. Exception Processing for GFM for Packaged Fuel Additives Managed by DLA. The DAASC will perform the DS 517G validation on behalf of

the Defense Energy Support Center (DESC) for selected requisitioning/bill-to activities and stock numbers in accordance with the following procedures.

C4.2.2.11.1. DAASC will maintain a DESC GFM table which will identify DESC established U-series contractor DoDAACs authorized to requisition specified additive NSNs. The authorized DESC POC will provide to DAASC the U-series DoDAAC/NSN combinations for the DESC GFM table.

C4.2.2.11.2. DESC sponsored orders for GFM will specify DoDAAC SJ0630 (Americas East), SJ0606 (Americas West), SJ0629 (Middle East), SJ0601 (Europe), SJ0600 (Pacific), and SC0600 (DESC for UC locations) as the requisitioner/bill-to activity. They will contain a U-series DoDAAC designated as the ship-to activity, and contain the DESC assigned MDN.

C4.2.2.11.3. DAASC will route requisitions and requisition related transactions (DS 511R/511M/869F) to the SOS for the NSN ordered, and the SOS will generate the required DS 517G, ICP GFM Validation Request to DAASC.

C4.2.2.11.4. DAASC will capture any DS 517G transactions containing DoDAAC SJ0630, SJ0606, SJ0629, SJ0601, SJ0600, or SC0600 (for UC locations) as the requisitioner/bill-to and a U-DoDAAC as the ship-to and match it against the DESC GFM table. If a table match is made by U-series DoDAAC and the NSN, then DAASC will respond to the SOS with a DS 517G MCA GFM Validation Response, with Advice Code 2M, indicating the order is authorized for processing. If no match, DAASC will respond with DS 517G with Advice Code 2V, indicating the order is not authorized for processing.

C4.2.2.11.5. The SOS will process the DS 517G and either honor the order or reject the suspended transaction using Status Code DN, based on the advice code provided by DAASC.

C4.2.3. SA Requisitions

C4.2.3.1. General

C4.2.3.1.1. Requisitions. SA countries and SA organizations shall prepare and send requisitions to the applicable U.S. Service ILCO. The ILCO shall send the SA requisitions to the appropriate supply source for processing.

C4.2.3.1.2. Requisition Status Determination. ILCOs must identify the programmed or nonprogrammed status of a requisition to the supply source by using the appropriate cooperative logistics program support code (CLPSC). The supply source shall process SA requisitions without a CLPSC as unprogrammed requirements.

C4.2.3.1.3. Restrictions. Certain SA requisitions are subject to a restriction in quantity when it is determined that the total requirement for an item will result in more than 25 shipment units. This constraint is employed to preclude the

assignment of nonconforming transportation control numbers (TCNs) that occur when the number of shipment units exceeds 25 and which causes a loss of identity to the shipment. The DoD Component shall specify those items of equipment to which the quantity restriction applies. Generally, these items are equipment such as wheeled/tracked vehicles or other items when a unit of issue of one each constitutes a single shipment unit.

C4.2.3.2. Requisition Identification Code. All SA requisitions shall contain a unique six-position identification code consisting of a combination of codes that identifies the requisitioning country or international organization and that provides specific requisitioning and shipping instructions for the supply source and shipping activities. This identification code is the first six positions of the transaction reference number. The [DoD 4000.25-8-M](#), [DoD 5105.38-M](#), and the [DoD 7000.14-R](#) in combination, provide the interpretation of these codes. See paragraph C4.2.1. above, for specifics on the actual code construction.

C4.2.3.3. Required Availability Dates (RADs)

C4.2.3.3.1. Identification. Always identify the effective RADs in SA requisitions for major weapons systems, end items, and concurrent spares. In FMS cases, compute the RAD by adding the lead time stated on the U.S. Letter of Offer and Acceptance to the date of receipt of the completed, funded, U.S. Letter of Offer and Acceptance. For MAP/GA, compute the RAD by adding the ICP determined lead time to the date of the MAP order.

C4.2.3.3.2. RAD Identification. The DoD Components shall identify the RAD in requisitions for major items and associated support equipment and the initial issue parts for MAP/GA, as soon as practicable, but not later than 120 calendar days after receiving an approved funded order.

C4.2.3.3.2.1. Start Point. RAD time begins with the date of the requisition.

C4.2.3.3.2.2. RAD Modification. Requisitioners shall modify RADs when contract-forecasted delivery dates indicate a change in the availability of the items. Requisitioners shall use Status Code BB, BV, or B3 to show the true RAD. The ILCO/requisitioner shall adjust all records to cite the new RAD information. When unable to meet the established RAD, the supply source must use Status Code B3 to notify the ILCO of the RAD slippage.

C4.2.3.4. DAAS Processing of SA Requisitions

C4.2.3.4.1. DAAS shall reject requisitions, referral orders, passing orders, DS 869F, Requisition Follow-up, and DS 511M, Modification, containing MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD, to the ILCO using DS 870S, Supply Status, with Status Code DP.

C4.2.3.4.2. ICPs may reject requisitions received off-line (mail, message, courier, fax, telephone) that contain MAPACs that do not have valid ship-to and mail-to addresses in the MAPAD to the submitting ILCO. This includes remarks/exception type DS 511R, Requisition, transactions directing material to various shipping points. DS 870S, Supply Status, with Status Code CX applies.

C4.2.4. NMCS and ANMCS Requisitions

C4.2.4.1. General

C4.2.4.1.1. Approval Authority. Commanders shall approve, or delegate in writing to specific personnel the authority to approve, all NMCS/ANMCS requisitions and submit the requisitions by the most expeditious means. Commanders of the Service ILCOs shall approve, or delegate in writing to specific personnel the authority to approve, all FMS CLSSA requisitions applicable to NMCS or ANMCS conditions.

C4.2.4.1.2. Priority Requirements. Submit NMCS and ANMCS requisitions only for material in the quantities needed to return the mission-essential system or equipment to mission capable/operationally ready status or when items are not available in ready-for-issue condition at the supporting post, camp, station, or OCONUS theater. Use overnight or next day delivery service for NMCS and ANMCS shipments whenever possible.

C4.2.4.2. NMCS Conditions Meeting Special Requirements Code 999

C4.2.4.2.1. Use. Use Special Requirements Code 999 in PD 01-03 requisitions for material that will cause an NMCS condition to occur in mission-essential systems and equipment. Special Requirements Code 999 identifies transactions related to critical items as requiring expedited handling. Any special requirements code used in the requisition must appear in the material release order (MRO) and the shipping documentation. This procedure applies only to NMCS material shipped to U.S. Forces OCONUS or to Forces alerted for deployment within 30 calendar days of the date of the NMCS requisition. Special Requirements Code 999 does not apply to SA.

C4.2.4.2.2. Purpose. Special Requirements Code 999 identifies the need for expedited handling of the NMCS material when meeting the specific conditions listed below. (The commanding officer of the requisitioning activity shall either personally review, or delegate in writing to specific personnel the authority to review, all requisitions identified for expedited handling to certify compliance with the prescribed criteria.)

C4.2.4.2.2.1. The requisitioning unit must possess F/AD I, II, or III, and,

C4.2.4.2.2.2. The items or equipment required are causing mission-essential systems or equipment to be incapable of performing any of their assigned missions (NMCS) or,

C4.2.4.2.2.3. The items or equipment required have been identified during maintenance or testing as necessary to prevent mission-essential systems or equipment from being unable to perform assigned operational missions or tasks within 5 calendar days of the date of the requisition.

C4.2.4.3. NMCS Conditions Meeting Special Requirements Other Than Special Requirements Code 999. Apply the following to requisitions for NMCS conditions other than Special Requirements Code 999 originating from activities where Forces in CONUS are not alerted for deployment:

C4.2.4.3.1. Use PDs 01-08 only.

C4.2.4.3.2. Cite Special Requirements Code N. Note: **FMS requisitions** applicable to NMCS conditions will cite Special Requirements Code N, that identifies transactions related to critical items and requiring expedited handling.

C4.2.4.3.3. Indicate short RDDs.

C4.2.4.3.4. Use the PD to process these requisitions.

C4.2.4.4. ANMCS Conditions. Prepare requisitions for material to prevent degradation of the mission capability of such systems/equipment as follows:

C4.2.4.4.1. Use PDs 01-08 only.

C4.2.4.4.2. Cite Special Requirements Code E. Note: **FMS requisitions** applicable to ANMCS conditions must cite Special Requirements Code E, which will identify transactions related to critical items and requiring expedited handling.

C4.2.4.4.3. Indicate short RDDs.

C4.2.4.4.4. Use the PD to process these requisitions.

C4.2.5. PWRMS Requisitions

C4.2.5.1. Initial Fill. Use Demand Code O and Project Code 3AA to identify requisitions for the initial fill of PWRMS consumable item requirements. Use Project Code 3PR in PWRMS replenishment requisitions. DoD organizations cannot submit nonreimbursable requisitions to GSA.

C4.2.5.2. Reimbursements. Use the appropriate treasury symbol number and fund purpose code in all reimbursable requisitions for PWRMS requirements. Only use PDs 11-15 in reimbursable requisitions for PWRMS requirements; however, if overriding or operational situations justify immediate supply support, use PDs 01-03.

C4.2.6. Conventional Ammunition Requisitions

C4.2.6.1. Component owners of single manager for conventional ammunition (SMCA) managed items may grant authority to the SMCA ICP to issue assets below established stock reservation levels. The Component owner must convey this authority to the SMCA ICP by using Advice Code 2S in DS 511R.

C4.2.6.2. Use Advice Code 3Q, 3V, 3W, 3X, 3Y, or 3Z, as applicable, when usable SCC E material is acceptable.

C4.2.7. Special GSA Procedures on Nonmailable Items

C4.2.7.1. Advice Code 2A Processing. GSA shall process requisitions received with Advice Code 2A (item not available locally) regardless of the possible excessive transportation costs.

C4.2.7.2. Low Item Value. GSA shall cancel requisitions (with Status Code CW) when received without Advice Code 2A for an item valued at \$25 or less if, at the time of shipment, transportation costs incurred for shipping that order is in excess of 50 percent of the item value. GSA shall notify the ordering activity when this condition exists and the requisitioner should attempt to procure the item locally. If local procurement cannot be effected, submit a new requisition with Advice Code 2A. In response, GSA shall supply the item regardless of the transportation costs.

C4.2.7.3. Non-Applicability. These procedures do not apply to SA requisitions.

C4.2.8. Timeframes and Submission of Requisitions

C4.2.8.1. Frequency. The frequency of submitting requisitions is the sole prerogative of the requisitioner and, except for subsistence items, the distribution systems shall not prescribe scheduling. Submit requisitions when necessary to meet requirements for stock or to meet specific requirements for immediate use. In order to make the system more efficient and cost-effective, activities should consider consolidating requirements to reduce the submission of low-value requisitions.

C4.2.8.2. Effective Time Period. The requisition submission time period extends from the date of the requisition to the date of receipt by the initial wholesale supply source; for example, the ICP or stock point that maintains any asset availability records for the purpose of filling material demands or ordering other supply action.

C4.2.8.2.1. Requisition Date. The date of requisition shall indicate the actual date of transmittal from the requisitioner to the initial supply source. Do not predate requisitions to facilitate local processing. The transaction set process shall reflect the true date of transmittal.

C4.2.8.2.2. Approval Time. Time consumed by review/approval of control offices that are intermediary between the requisitioner and the initial supply source is counted in the time standard for this segment.

C4.2.9. Maintenance of Requisition History and Due-In Files

C4.2.9.1. Requirement. All DoD Components must maintain a requisition history and due-in file for each transaction processed.

C4.2.9.2. Expeditious Processing. Requisitioners must expeditiously process transaction status and material receipts to requisition and due-in files to preclude the unnecessary generation of follow-ups.

C4.2.10. Special Army Single Stock Fund (SSF) Procedures for Image, Working, and Post-Post Requisitions and Authorization of Edit Action Codes (EACs) for Both Single Stock Fund (SSF) and non-SSF Army Activities. The following procedures are restricted to use by the Army on an intra-Service basis.

C4.2.10.1. These procedures include Army-unique data elements required to accurately process transactions in the Army wholesale system that originate from the Army retail system for SSF activities. For both Army retail replenishment orders for authorized stock listed items and for dedicated customer orders for non-stock listed items, an image of the order containing a special EAC, management code and date generated is created and passed to the wholesale system. For these replenishment and dedicated customer orders, the EAC indicates that the order is to be held until either post-post issue requisitions are received equaling the image requisition quantity or a live/working requisition is received for the total or residual quantity of the image requisition. Additionally, customer/consumer orders for authorized stock listed items that cannot be filled by the retail system are backordered at the retail level and an image of the consumer requisition containing an EAC, management code and date generated is created and passed to the wholesale system. For these backordered consumer requisitions, the EAC indicates that the order is to be held until either post-post issue requisitions are received equaling the image requisition quantity, or a cancellation is received. Based on business rule parameters, these EAC codes facilitate the Army process which searches for assets at multiple retail levels, prior to requiring a wholesale asset search to fill the retail and consumer level requisitions. The post-post issue requisition also contains an EAC, management code and date generated. Additionally, the post-post requisition contains the SSF routing identifier code (RIC) of the activity issuing the assets and codes indicating the ownership, purpose and condition of these assets, as well as a suffix code, if it is only a partial issue of the image requisition quantity. The following are the types of requisitions included in this process:

C4.2.10.1.1. Image Request Order Number Requisition. An image of the customer's original requisition containing an EAC, management code and the date generated date is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the wholesale supply source builds a document control file, creates a demand record, and freezes the requisition on backorder.

The only action which can clear the frozen backorder is a post-post requisition or a cancellation request from the SSF site.

C4.2.10.1.2. Image Document Order Number Requisition. *An image of the original replenishment requisition containing an EAC, management code and the date generated is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the wholesale supply source establishes a document control file with a requisition quantity control, creates a demand record, and takes no further action until receipt of a post-post or working requisition.*

C4.2.10.1.3. Working Document Order Number Requisition. *Upon receipt of a working document order number requisition by the wholesale supply source, action will be taken to support the requisition quantity. The document number on both the working and image requisitions are the same; however, the working requisition does not contain an EAC or management code.*

C4.2.10.1.4. Image Dedicated Requisition. *An image of a dedicated requisition containing an EAC, management code and the date generated is submitted by the SSF site to the Army wholesale supply source. Upon receipt, the supply source establishes a document control file with a requisition quantity control, creates a demand record and takes no further action until receipt of a post-post or working requisition.*

C4.2.10.1.5. Working Dedicated Requisition. *Upon receipt of a working dedicated requisition by the wholesale supply source, action will be taken to support the requisition quantity. The document number on both the working and image requisitions are the same; however, the working requisition does not contain an EAC or management code.*

C4.2.10.1.6. SSF Post-Post Requisition. *A post-post requisition containing an EAC, management code and storage site RIC is submitted by the SSF site to the Army wholesale supply source when assets are issued from SSF site in support of a previously provided image requisition. Upon receipt, the supply source creates internal issue transactions and creates an audit trail.*

C4.2.10.2. Post-Post Requisition Processing. *When the requisition is satisfied by a SSF site, the wholesale system will receive a post-post requisition containing a special EAC and management code, as well as the routing identifier code of the SSF site issuing the assets, and codes indicating the ownership, purpose and condition of these assets. If the post-post issue requisition is for a partial quantity, it will also contain a suffix code. The wholesale system may receive post-post requisitions with the same document number and suffix code, but with different storage RICs. These will not be considered duplicates. Based upon receipt of the post-post requisition, the wholesale system will internally generate a material release order, material release confirmation and a material*

receipt acknowledgement. The wholesale system receives post-post requisitions in order to record shipments and generate appropriate bills.

C4.2.10.3. Working Requisition Processing. If the SSF site can totally fill the requisition through post-post issues, the wholesale source will not receive a working requisition. However, if the SSF site is unable to satisfy the total demand quantity of the requisition, the wholesale site will receive either a working requisition for the residual quantity or a cancellation on the same document number as the image requisition. Upon receipt of the working requisition the wholesale supply source will initiate normal support actions. Any actions taken by the wholesale source on the working requisition will always begin with Suffix Code L. The total quantity of all post-post requisitions and all working requisitions received on a single document number, should not exceed the quantity on the original image requisition.

C4.2.10.4. EAC Authorization. In addition to the use of the EAC in the above SSF procedures, for both Army SSF and non-SSF activities, the EAC is authorized to be used for requisition reinstatement and other varied purposes.

C4.2.11. DoDAAC Authority Code Edits. Requisitions will be prepared using valid DoDAACs for the purpose(s) intended. DoDAACs designated as the requisitioner, bill-to, or ship-to activity will be validated based upon the authority code assigned to each DoDAAC in the DoD Activity Address File and business rules described below. Refer to DAAS edit of incoming requisitions below for edit rules.

C4.3. RETRANSMITTED REQUISITIONS. Use the FROM-address in the requisition to identify the activity passing and/or referring the requisition and TO-address to identify the activity to receive the requisition. In addition, indicate the applicable suffix code of the retransmitted requisition if the quantity is less than the original requisition quantity and the appropriate demand code. Indicate the date of receipt of the demand as recorded by the initial supply source when retransmitting requisitions to another supply source. Use Special Requirements Code 888 to identify retransmitted requisitions generated from backorder releases submitted only to the SMCA.

C4.4. REQUISITION CANCELLATIONS

C4.4.1. General

C4.4.1.1. Requests. The requisitioner, monitoring activity, The DoD Component, and authorized command elements may request cancellation of previously submitted requisitions by using the DS to Federal IC 869C, Cancellation. The activity initiating the cancellation action, if other than the requisitioner, must advise other interested activities of the cancellation action. Send single line-item cancellations to the last known supply source holding the applicable requisitions. Under normal circumstances, cancellation requests represent a discontinued need of specific items

and quantities. Do not deobligate funds or update individual due-in records until you receive status from the supply source confirming cancellation.

C4.4.1.2. Receipt from Contractor. Do not submit single line item cancellations when a CONUS activity has received notice of shipment for material from a contractor's facility or a depot.

C4.4.1.3. Minimum Value Item. Do not submit single line-item cancellations when an OCONUS activity has received shipment status and the line-item value of the cancellation is less than \$200, or the material was shipped by air mail, or parcel post, or the material was shipped more than 10 calendar days by air shipment to an aerial port of embarkation (APOE), or 45 calendar days by surface shipment to a water port of embarkation (WPOE).

C4.4.1.4. Conditions Not Excluded. Submit cancellations for conditions not excluded when there is no longer a need for a requisitioned quantity regardless of line item dollar value or status. Such submissions shall authorize the supply source to properly adjust demands, when appropriate, and initiate cancellation action, when feasible.

C4.4.1.5. Status Code BV. Supply sources may initiate billings to requisitioning activities for transportation charges and/or contract termination costs even though the supply source is able to effect cancellation/diversion if requisitions are assigned Status Code BV. The consignee, the appropriate commander, or Service headquarters is responsible for the utilization or disposition of material that cannot be canceled or diverted to an alternate consignee.

C4.4.1.6. Material Shortages. Requisitioning activities must submit a new requisition with a new transaction reference number, citing appropriate issue PDs, whenever shortages occur for material previously canceled or rejected. Do not submit requests to reinstate previously canceled or rejected requisitions to supply sources.

C4.4.2. Mass or Universal Cancellation of Requests

C4.4.2.1. General. Base closures, termination of special projects, ship and unit inactivations, termination of agreements, or termination of vessel outfitting, or construction, are events which can necessitate the requirement for a mass or universal cancellation of multiple lines. Although these events may ultimately require mass or universal cancellation action, they are normally known to the affected activities well in advance of the effective date of such closures or termination action. In these instances, every effort will be made by the requisitioning activity to minimize the continued processing of requisitions by the supply sources, and the subsequent entry of unwanted shipments into the Defense Transportation System (DTS), through initiation of single line-item cancellations. When the DoD Component is aware that a total project (or total requirement for a single base) is no longer required and should be canceled, the DoD Component may initiate a mass or universal cancellation request of multiple lines by

indicating a date range for the applicable requisition transaction number dates, appropriate project code(s) and/or various organizations.

C4.4.2.1.1. Mass Cancellation. A mass cancellation permits continued transaction and shipment processing for selected requisitions.

C4.4.2.1.2. Universal Cancellation. A universal cancellation serves to terminate all such processing, even requisitions previously identified for continued transaction and shipment processing under mass cancellation situations.

C4.4.2.2. Requirements for Continued Shipment. Requisitions for which transaction and shipment processing must be continued under mass cancellation situations must be identified by the requiring activity at the earliest date through submission of requisition modifiers, DS to Federal IC 511M, Modification, containing Special Requirements Code 555 in the LQ segment. For SA, use of this code is restricted to approved CLSSA requisitions with Type of Assistance Code U or V. Supply sources shall not cancel requisitions that have been modified to contain Special Requirements Code 555 during a mass cancellation process.

C4.4.2.2.1. Requisition Changes. The requisition may not be changed to contain Special Requirements Code 555 by means of a requisition modification submitted after the effective date of the requested mass cancellation.

C4.4.2.2.2. Applicability. Requisitions, which fall within the scope of the announced mass cancellation criteria, submitted after the effective date of the mass cancellation action, must contain Special Requirements Code 555.

C4.4.2.3. Initiation of Requests. Requests for mass or universal cancellation of requisitions shall be initiated by the DoD Component, or by an authorized command element. The DoD Component contact points established for issuance and receipt of requests for mass and universal cancellation are listed on the DLMSO website at: <http://www.dla.mil/j-6/dlms0/eLibrary/Restricted/SvcPointsPOC/default.asp>. Inter-DoD Component dissemination of requests for mass or universal cancellation must be made by the designated contact points. The mass or universal cancellation request shall be accomplished by preparation of the DS 869C.

C4.4.2.4. Dissemination of Intra-DoD Component S/A Requests. Intra-DoD Component dissemination of requests for mass or universal cancellations shall be accomplished by the DoD Component contact point designated. Intra-DoD Component dissemination shall include all Component supply sources, storage sites, and other activities within the DoD Component processing supply transactions or shipments with capability to cancel requisitions or divert shipments. In addition, the designated DoD Component contact points shall ensure that the appropriate overseas theater, force, logistics, or type commanders are aware of mass or universal cancellation actions affecting their areas of responsibility.

C4.4.2.5. Required Information. Requests for mass or universal cancellation action, DS to Federal IC 869C, Cancellation, shall be submitted to the DoD Component designated contact point(s) for cancellation of all open requisitions applicable to specific projects, or bases (as identified by AACs). The request for mass or universal cancellations shall contain identification of the activity having submitted the request, the effective date, and the required codes for identification of one of the following, for which cancellation of all applicable requisitions is requested:

C4.4.2.5.1. Project code and ship-to address.

C4.4.2.5.2. FSC, FSG (Federal Supply Group), NSN, or part number when associated with the address of the original requisition document number ship-to-address and/or project designator.

C4.4.2.5.3. One project code and various addresses.

C4.4.2.5.4. No project code and various addresses.

C4.4.2.5.5. Various project codes and one address.

C4.4.2.6. Continuing High Priority Demands. A need may exist to continue the processing of certain requisitions and shipments during mass cancellations such as high priority demands to satisfy NMCS conditions (identified by Special Requirements Code 999 or N in the requisition). In addition, a need may exist to allow continued processing on requisitions for material required to effect base closure. In these instances, submit a requisition–modification, containing Special Requirements Code 555 in the LQ segment and one of the following selective criteria, to applicable supply sources prior to the submission of the mass cancellation request:

C4.4.2.6.1. Project code(s) when associated with the ship-to address being canceled.

C4.4.2.6.2. Special Requirements Code 999 or NB when associated with the ship-to address being canceled.

C4.4.2.6.3. FSC, FSG, NSN, or part number when associated with the ship-to-address being cancelled.

C4.4.2.6.3. Specific requisition document number and routing identifier from the status received or routing identifier to which the requisition has been transmitted if status has not been received.

C4.4.2.6.4. Specific PD when associated with the ship-to address being canceled.

C4.4.2.6.5. Required Delivery Period (RDP) when associated with the ship-to address being canceled - conventional ammunition only.

C4.4.2.7. Identifying Continued Processing Requests. Upon receipt of the requisition modification containing Special Requirements Code E in the LQ segment and one of the above selective criteria, supply sources shall review all affected requisition(s) and all associated transactions to identify those for which continued processing has been requested. In the case of items scheduled for direct delivery, the supply source shall forward requisition modifications to procurement sources. Supply sources and procurement sources shall annotate the affected requisition(s) and all associated transactions with Special Requirements Code 555 in the LQ segment.

C4.4.2.8. DTS Processing. DTS shall continue movement of material to which an Special Requirements Code 555 has been applied except when a universal cancellation has been announced.

C4.4.2.9. Diverting OCONUS Shipments. When OCONUS shipments have already departed from CONUS ports, the responsibility for diversion or disposition is that of the consignee or the appropriate theater, force, logistics, or type commander. Notice to the latter shall be the transportation lift data provided by the DTS clearance authority. (See subparagraph C4.7.23.10.4..)

C4.4.2.10. Diverting CONUS Shipments. No attempt will be made to divert material destined to CONUS customer activities beyond the point of shipment.

C4.4.2.11. Designated Storage Points. All shipping DoD Components shall designate storage points within their distribution system to receive shipments redirected as a result of mass or universal cancellation. Fund citations for government bill of lading (GBL) preparation must also be provided. These designated points and fund citations shall be provided to Air Mobility Command (AMC), Surface Development and Distribution Command (SDDC), or theater commanders, and will serve as predesignated consignees for any announced mass or universal cancellation. If more than one storage point is designated, instructions shall be furnished to specify on a geographical basis the storage point designation in relation to each range of water and aerial ports (such as, the west, gulf, and east coasts). In addition, canceling DoD Components shall designate a contact point(s) to provide disposition instructions on material that does not meet the automatic diversion conditions specified in subparagraph C4.7.23.10.5. Designated contact points shall provide requested disposition instructions to DTS within 24 hours on material located at air terminals and within 48 hours on material located at water terminals.

C4.4.2.12. Single Line-Item Cancellation. Customers retain the authority to submit single line-item cancellation requests via DS 869C at any time before, during, or after the effective date of the mass cancellation.

C4.5 REQUISITION MODIFICATIONS

C4.5.1. Requesting Modifications. The requisitioner, control office, or monitoring activity may request the modification of previously submitted requisitions using the Requisition Modification (DS 511M, Modification). Any activity initiating a requisition

modification shall notify other interested parties of such action, especially if the activity initiating the modification is other than the requisitioner. Send the requisition modification to the last known supply source. Limit modifications to changes in the following:

C4.5.1.1. Non-GFM Requisitions

C4.5.1.1.1. Ship-To and/or Bill-To Address(es)

C4.5.1.1.2. FMS Offer and Release Option Code

C4.5.1.1.3. FMS Freight Forwarder

C4.5.1.1.4. Treasury Symbol Number/Fund Purpose Code

C4.5.1.1.5. Project Code

C4.5.1.1.6. Special Requirements Code

C4.5.1.1.7. PD

C4.5.1.1.8. RDD or RDP

C4.5.1.1.9. Advice Code

C4.5.1.1.10. Ultimate Recipient Code

C4.5.1.1.11. Transportation Priority Code

C4.5.1.1.12. Media and Status

C4.5.1.1.13. Signal Code

C4.5.1.1.14. Distribution Code

C4.5.1.1.15. Fund Code

C4.5.1.2. GFM Requisitions

C4.5.1.2.1. Project Code

C4.5.1.2.2. PD

C4.5.1.2.3. Advice Code

C4.5.1.2.4. RDD

C4.5.1.2.5. Media and Status Code

C4.5.1.2.6. Signal Code

C4.5.1.2.7. Distribution Code

C4.5.1.2.8. Fund Code.

C4.5.2. Identifying Applicable Supply Actions. Identify requisitions for which supply action must be continued during mass cancellation situations and submit modifications with Special Requirements Code 555 to the supply source at the earliest possible date to ensure the continued processing of the requisitions.

C4.5.3. Pertinent Modification Data. Only data on the modification transaction shall be changed. All other data will remain as stated on the original requisition.

C4.5.4. Modifying Codes. *When a requisition modifier is submitted to modify the ship-to and/or bill-to DoDAAC(s), signal code or fund code, the DAAS DoDAAC authority code edits discussed in C4.8.10 will be reapplied.*

C4.6. REQUISITION INQUIRIES/REQUESTS FOR SUPPLY ASSISTANCE

C4.6.1. General. Use DS to Federal IC 869A, Requisition Inquiry/Supply Assistance, to follow-up or request supply assistance to improve ESDs over the dates indicated in the latest supply status transaction on previously submitted requisitions. Use either DS 869A or DS to Federal IC 869F, Requisition Follow-Up, to follow up the latest supply transaction on previously submitted requisitions.

C4.6.2. Follow-Ups. Submit follow-ups to obtain the latest status for a previously submitted requisition.

C4.6.2.1. Follow-Up Format. Requisition follow-ups can be accommodated in two formats. DS 869A provides a streamlined requisition follow-up. DS 869F requisition follow-up offers the additional capability of conveying all information provided on the original requisition (with the exception of quantity stratification by weapon system) so that the follow-up may act as a requisition if the inquiry is unmatched to the IMM's data base. ***When a follow-up that may act as a requisition is submitted (DS 869F), it will be subject to the authority code edits of paragraph C4.8.10.***

C4.6.2.2. Follow-Up Submission Criteria

C4.6.2.2.1. Delay Status Not On Hand. Submit follow-ups when status data is not on hand to indicate a delay in receipt of material beyond the SDD or RDD or when the UMMIPS order and shipping time standard for receipt of material has elapsed.

C4.6.2.2.2. Receipt Status Not Received. Send follow-ups to the supply source where you sent the requisition if you have not received status indicating another activity is responsible for the demand. When supply status has been received, direct the follow-up to the activity indicated as currently processing the requisition; for

example, the last known supply source. The supply source may follow up to a shipping activity on open MROs.

C4.6.2.2.3. Material Not Received. Do not submit follow-ups after receiving shipment status evidencing completion of shipment unless you do not receive the material within normal transit time based on the date of the shipment as cited in the shipment status transaction.

C4.6.2.3. Follow-Up Submission Timeframes

C4.6.2.3.1. PD 01-08. For PD 01-08 demands, submit follow-ups only after expiration of at least 3 calendar days from the date of the requisition or transaction date of the latest supply status.

C4.6.2.3.2. PD 09-15. For PD 09-15 demands, submit follow-ups only after expiration of at least 7 calendar days from date of the requisition or transaction date of the latest supply status.

C4.6.3 Request for Supply Assistance

C4.6.3.1. Initiation. Requisitioners may initiate requests for supply assistance only for PD 01-08 requisitions after receipt of supply status indicating an unacceptable delivery date. Requests for supply assistance includes status of requisitions, timely supply of requirements, I&S items, release of cancellation or backordered requisitions, and diversion of material shipments. Do not generate requests for supply assistance prior to the receipt of supply status indicating open status.

C4.6.3.2. Submission. Forward requests for supply assistance on previously submitted PD 01-08 requisitions to the supply source processing the requirement. In addition to the DS cited in paragraph C4.6.1, above, requests for assistance may be done by electronic mail (computer-DISN), message, letter, or telephone to the appropriate supply source. Telephone requests should not exceed seven lines; however, the limitation of items shall be determined by the supply source ability to record the items and initiate timely responses.

C4.6.3.3. Replies. Replies to supply assistance requests will include an information copy to each addressee included in the incoming request.

C4.7. REQUISITION PROCESSING AND RELATED ACTIONS. Supply sources receiving requisitions, follow-ups, modifications, cancellations, and/or supply assistance requests shall process such transactions using these procedures.

C4.7.1. General

C4.7.1.1. Verification. Supply sources shall validate the data elements and codes in these transactions and accomplish changes, continue processing action, or

reject with the appropriate status code using DS to Federal IC 870S, Supply Status. Rejection of transactions shall be done only after an attempt has been made to correct the questionable data element or code. If rejection action is a result of more than one data element or code, and no other reject status code applies, reject using Status Code CA.

C4.7.1.2. Batch Processing. When supply sources and storage activities utilize the sequential (or batch) method of processing and do not possess real time processing capability, such processing must be done as frequently as necessary in order to meet UMMIPS time standards, or specific RDD for subsistence requisitions as applicable. In every such cycle, cancellation requests (including automatic cancellation initiated by the supply source) and MOV reconciliation requests shall be processed prior to backorder releases and new requisitions. Demands shall be sequenced as follows:

C4.7.1.2.1. PD.

C4.7.1.2.2. OSD/the Chairman of the Joint Chiefs of Staff project codes.

C4.7.1.2.3. Special Requirements Code 999 and PD 01, 02, or 03.

C4.7.1.2.4. Special Requirements Code N (NMCS), E (ANMCS), or 555 and PD 01-08.

C4.7.1.2.5. Requisition document number date.

C4.7.1.2.6. RDP, if later than the computed SDD--conventional ammunition only.

C4.7.1.3. Backorders. Backordered requirements shall be merged (in the above sequence) with all new transactions in any requisition processing cycle in which additional assets become available; for example, receipts of material and debit onhand adjustments.

C4.7.1.4. Receipt Processing. Processing points shall record the date of receipt of each requisition received. The date of receipt will enable supply sources to compute the requisition submission time. The computation shall be made by subtracting the date in the demand transaction from the date received. The submission time provides a basis for the ICPs to measure the first cycle segment of supply effectiveness.

C4.7.1.5. Reference Numbering. The transaction reference number, and a suffix, when applicable, shall be used as a basis for determining duplicate transactions. The recipient shall disregard all duplicate transactions.

C4.7.2. Effect of Priority Designator on Requisition Processing

C4.7.2.1. Assigning PDs. Each requisition must contain a PD assigned by the requisitioning activity, that will not be changed by processing points except in the following conditions:

C4.7.2.1.1. Special Requirements Code 999 is present, requisition is for U.S. forces, and the PD is not 01, 02, or 03, the supply source will enter PD 03 and send Status Code BK.

C4.7.2.1.2. An OSD/the Chairman of the Joint Chiefs of Staff project code is present, but the PD is not 01-15, the supply source will cite PD 03 and send Status Code BK.

C4.7.2.1.3. Special Requirements Code N or E is present, and the PD is not 01 - 15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.4. Special mass cancellation coding 555 is present and the PD is not 01-15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.5. Special Requirements Code 777 is present and the PD is not 01 - 15, the supply source will enter PD 08 and send Status Code BK.

C4.7.2.1.6. RAD is present and the PD is not 01-15, the supply source will enter PD 15.

C4.7.2.1.7. Extended RDD is present and the PD is other than 09-15, the supply source will enter PD 15 and send Status Code BK, and process.

C4.7.2.1.8. Work stoppage indicator is present and the PD is not 01-08, the supply source will enter PD 8 and send Status Code BK, and process.

C4.7.2.1.9. Service Code is B, D, K, P, or T and Special Requirements Code is N, E, 555, or 777 and Type of Assistance is not U or V, the supply source shall blank the special requirements code and process using the priority. Type of assistance is identified as the sixth position of the SA identification data portion of the transaction reference number or separately in the LQ segment.

C4.7.2.1.10. For all other conditions, if the PD is not 01 - 15, the supply source shall enter PD 15.

C4.7.2.2. Time Standards. The assigned PD dictates the precedence of internal supply processing actions (such as, from the receipt of a transaction until release to transportation) and determines the SDD. Mandatory time standards for processing of transactions are covered in DoD 4140.1-R, Appendix AP8, Time-Definite Delivery Standards. For subsistence requisitions, the assigned RDD is the primary processing criteria, while the assigned PD dictates the precedence of internal supply processing action for requisitions reflecting identical RDDs. Time standards indicated in UMMIPS do not apply to subsistence requisitions.

C4.7.2.3. IMM Control Levels. On occasion, available assets may be insufficient to satisfy all current demands and backorders for specific items. The IMM shall reserve assets of such critical items through the use of item control levels and criteria that will restrict issue to specific categories of requirements only, i.e., those within designated ranges of PDs, the Chairman of the Joint Chiefs of Staff approved projects, or firm commitments for delivery of material to SA recipients. Control levels shall be established for IMM to reserve stocks for issue only for PD 01-03. These requirements shall be satisfied by issue to zero stock balance of serviceable stocks. Control levels may be established at the discretion of the IMM to reserve a greater level of stocks that may not be issued for PD 09-15 requirements.

C4.7.2.4. Supply Source Control Levels. Control levels shall also be established by the supply source to restrict issues against requisitions for the initial fill of PWRMS consumable item requirements to ensure that:

C4.7.2.4.1. Availability Below Approved Force Acquisition Objective (AFAO). Assets available below the AFAO are not issued against requisitions for nonreimbursable PWRMS requirements regardless of the PD.

C4.7.2.4.2. Availability Below Reorder Point (ROP). Assets available below the ROP are not issued against requisitions for nonreimbursable PWRMS requirements that contain a PD of 11-15 during initial processing of the requisition. Later processing of such requisitions is prescribed in paragraph C4.7.5., below.

C4.7.2.5. OSD/the Chairman of the Joint Chiefs of Staff Project Priority. These projects, when so designated, and PD 01-03 requisitions containing Special Requirements Code 999, shall be ranked above all other requisitions with the same PDs for processing purposes. Special Requirements Code 999 requisitions and related transactions shall receive special attention to provide for expedited processing actions.

C4.7.2.6. Releasing Demands. When system-wide inventory levels do not permit positive supply action on all requisitions within a given PD, supply procedures shall provide for a release of demands containing the specifically designated OSD/the Chairman of the Joint Chiefs of Staff project codes and Special Requirements Code 999 as the respective most urgent. PD 01-08 requisitions, including FMS requisitions, containing Special Requirements Code 555 in the RDD field and other requisitions/material obligations, shall be processed for release as prescribed in subparagraph C4.7.1.2., above.

C4.7.3. Supply Source Processing of Requisitions with Advice Code 2D, 27, or 29. Supply sources shall edit all requisitions containing Advice Codes 2D, 27, and 29 to determine if an increase in the requisition quantity to the quantity unit pack is less or more than \$5. If less than \$5, the supply source shall disregard the advice code in the requisition. If \$5 or more, the supply source shall honor the advice code and process the requisition for the exact quantity requested. When a quantity adjustment is made using the above criteria, the supply source shall use Status Code BJ to notify the customer of the quantity adjustment.

C4.7.4. Supply Source Processing of Requisitions for Quantities that Exceed the Normal Demand. The supply source may request verification of requisitions that show quantities that exceed normal demands or quantities that appear to be excessive or in error before taking positive supply action. When the supply source determines that the requisitioned quantity needs to be verified, the supply source shall generate a DS to 517M Federal IC, Material Obligation Validation, to request verification of the quantity. The supply source must indicate a response due date in the quantity verification inquiry, normally 30 calendar days for U.S. Forces and 75 calendar days for SA customers. The organization verifying the requisitioned quantity shall send a response to the supply source by the response due date indicated in the quantity verification inquiry; otherwise, the supply source shall automatically cancel the requisition with Status Code D3. The quantity in the response must be the actual quantity required. If the quantity is less than the original requisitioned quantity, the difference shall be canceled with Status Code BQ. If the quantity field contains zero, the entire requisition shall be canceled with Status Code BQ. Quantity increases are not authorized.

C4.7.5. Supply Source Processing of PWRMS Requisitions

C4.7.5.1. General. Supply sources, except GSA, shall process funded and unfunded requisitions for the initial fill of PWRMS consumable item requirements using the criteria established below. GSA shall process only funded requisitions for PWRMS requirements and does not differentiate between those requisitions and others.

C4.7.5.2. Processing Criteria. Upon receipt of PWRMS requisitions for the initial fill of consumable item requirements (Demand Code O and Project Code 3AA), the supply source shall determine asset availability in excess of the AFAO and :

C4.7.5.2.1. Sufficient Assets Available. If sufficient assets are available in excess of the AFAO to satisfy the total requisition quantity, the total requisition shall be processed as free issue.

C4.7.5.2.2. Excess Assets. If the assets available in excess of the AFAO are not sufficient to satisfy the total requisition quantity, then the portion of the requisition quantity equal to the quantity of assets available in excess of the AFAO shall be processed as free issue and the balance of the requisition quantity shall be processed as follows:

C4.7.5.2.2.1. When the supply source determines that assets are not available in excess of the AFAO, the basis of unit price code in the PO1 segment of the PWRMS requisition for the initial fill of consumable item requirements (Demand Code O and Project Code 3AA) shall be checked and:

C4.7.5.2.2.2. If free issue the unfilled quantity on the requisition must be rejected. The rejection shall be accomplished under Status Code CB since all unfunded PWRMS requisitions must be processed as fill or kill.

C4.7.5.2.2.3. If a basis of unit price code is not identified, the PWRMS requisitions shall be processed as containing Advice Code 2L and the PD must be checked to determine further processing routines.

C4.7.5.2.3. PD 01-03 PWRMS Requisitions. Except for subsistence, PWRMS requisitions with PD 01-03 shall be processed for issue using UMMIPS supply source processing standards. Subsistence requisitions must be processed to meet a specific RDD.

C4.7.5.2.4. PD 11-15 PWRMS Requisitions. Except for subsistence, PWRMS requisitions with PDs 11-15 shall be issued from assets available above the ROP or equivalent. When assets above the ROP or equivalent are not available to satisfy the requisitioned quantity, the unfilled quantity shall be placed on backorder and the appropriate supply status shall be provided with an estimated shipping date (ESD) equal to one procurement lead time. Backordered PWRMS requisitions with PDs 11-15 must be released from backorder at the end of the procurement lead time or when sufficient stocks are available above the ROP. (PWRMS requisitions with PDs 04-10, when received, shall be processed in the same manner as PD 11-15 requisitions.)

C4.7.6. Supply Source Processing of RDP Requisitions (Conventional Ammunition Only)

C4.7.6.1. Earliest Delivery Date within Standard UMMIPS Timeframe. Requisitions with an RDP that has an earliest delivery date, that is, within the standard UMMIPS timeframes for the PD must be, processed using the time period established for that PD.

C4.7.6.2. Earliest Delivery Date Outside Standard UMMIPS Timeframe. Requisitions with an RDP that has an earliest delivery date, that is, longer than the standard UMMIPS timeframes for the PD, shall not be placed on backorder. If stock is not available, the requisition shall be referred or rejected back to the customer. If stock is available, an MRO shall be issued to the storage facility. The shipping activity shall establish necessary control mechanisms to provide timely shipment to the customer.

C4.7.6.3. Rejecting Late Requisitions. Requisitions that cannot be delivered within the RDP shall be rejected with Status Code CB.

C4.7.6.4. SA Deliveries. RDP procedures do not apply to SA requisitions.

C4.7.7. Supply Source Processing of Requisitions for Nonconsumable Items From a Nonregistered User. Process nonconsumable items from nonregistered user according to the following criteria:

C4.7.7.1. PD 01-08. If the PD is 01-08, process the requisition for issue and provide Status Code DS to the requisitioner.

C4.7.7.2. PD 09-15. If the PD is 09-15 and assets are available above the ROP, process the requisition for issue and provide Status Code DS to the requisitioner.

C4.7.7.3. Assets Not Available. If the PD is 09-15 and assets are not available above the ROP, reject the requisition with Status Code CC or CN, as appropriate.

C4.7.8. Supply Source Processing of Subsistence Requisitions. Do not backorder subsistence requisitions. Process subsistence requisitions to meet the specific RDD.

C4.7.9. Maintenance of Requisition History Records. Supply sources shall retain accessible requisition history records for a minimum period of 6 months after the closing of requisition records by cancellation, rejection, or shipment to provide for responsive replies to requisition inquiries.

C4.7.10. Rejection of Requisitions. Supply sources shall provide supply status to requisitioning and status organizations, identified in the requisition or follow on transactions, as notices of requisition rejection with the reason for such action indicated by an appropriate status code.

C4.7.11. Release of Material Obligations. A material obligation is that quantity of an item requisitioned that is not immediately available for issue, but is recorded as a stock commitment for future issue. Supply sources shall establish procedures for the partial release of the material obligation when assets are insufficient to satisfy the entire demand consistent with the PD and delivery requirements of the requisition involved.

C4.7.12. Preparing Material Release Orders (MROs)

C4.7.12.1. Originator. MROs, DS to Federal IC 940R, Material Release, are prepared by the supply source as a result of processing requisitions against inventory records and determination that material is available. MROs are used as a directive for release and shipment of material from stock.

C4.7.12.2. Advice Code 2T. Requisitions or MROs that contain Advice Code 2T and do not contain an RDD shall be processed under the assigned PD without regard to the advice code.

C4.7.13. Material Release Confirmation (MRC)

C4.7.13.1. Purpose. The **MRC serves** as advice from a storage site to the supply source that initiated the MRO of supply action taken. **The MRC shall be provided using DS 945A. The MRC shall include enhanced data content under DLMS to include:**

C4.7.13.1.1. Both the TCN, when applicable, and a secondary transportation number, such as the small package carrier number, when this is applicable.

C4.7.13.1.2. Identification of the carrier when other than United States Postal Service (USPS) by Standard Carrier Alpha Code (SCAC).

C4.7.13.1.3. For OCONUS shipments made via Defense Transportation System (DTS), GBL/CBL, parcel post, and small package carrier shipments, specific identification of the Port of Embarkation (POE) or Consolidation and Containerization Point (CCP), the air terminal, water terminal, or CCP by applicable qualifier code in the DS. (During MILS/DLMS transition, DAAS may substitute a generic terminal qualifier for MRC transactions converted from MILS where the type of facility is unknown.)

C4.7.13.2. Supply Source Follow-Up. Supply sources shall follow up on storage facilities at least once every 30 calendar days for unconfirmed MROs that are 7 calendar days old for PDs 01-08 and 15 calendar days old for PDs 09-15.

C4.7.14. Reserved

C4.7.15. Storage Activity Denial or Rejection of Material Releases

C4.7.15.1. Preparation. Material Release Denials (MRDs), DS 945A, are prepared by storage sites and sent to the supply source that initiated the MRO as notification of negative action on the MRO and shall show the quantity denied and the appropriate management code.

C4.7.15.2. Delivery Status. If the storage activity cannot meet the delivery timeframe specified by the RDP, the storage activity shall use the material release advice to provide Status Code CB to the supply source. The supply source shall provide this status advice to the eligible status recipients (applies to conventional ammunition requisitions only).

C4.7.16 Component-Owned Stocks Centrally Managed and Stored by DLA.

C4.7.16.1 The following procedures have a limited and restricted applicability controlled by a Memorandum of Agreement (MOA) between DLA and the requesting DoD Component. Upon request by a DoD Component and agreement by DLA, DLA will centrally manage Component-owned stocks within the DLA distribution system. All instructions to storage activities relative to the Component-owned stocks accepted under the MOA must originate from the knowing DSC as the sole source authorized to direct delivery, issue, or other disposition of stock. Component-owned stocks accepted under the MOA for central management by DLA will be commingled with like DLA-owned stocks.

C4.7.16.2 To establish assets controlled by the DLA DSC under the MOA, the DoD Component may initiate an "in-place" sale. To accomplish this the DoD Component requisitions material to be centrally managed by DLA, establishing the Component-owned assets on the DLA records. Ownership changes from DLA to the DoD Component, but DLA maintains item management control and continues to store

the item in a DLA distribution depot. The DS 511R, Requisition, must contain the preferred depot DoDAAC for stock to be commingled and Advice Code 8D. DSC internally produces and posts the DS 940R, Material Release, (which is not actually sent to and from depot) and uses a DS to Federal IC 867I, Issue (DoD Activities), to drop and a DS to Federal IC 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity) to post assets to DSC inventory record under Component-ownership. An image of the DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity) will be sent to the Component ICP for recording the financial receipt. Normal procedures will be followed for billing the reimbursable in-place sale.

C4.7.16.3 To direct shipment of these assets, the DoD Component must send a DS 511R, Requisition, to the knowing DSC. To relate the requisition to Component-owned assets, the following entries are mandatory in the source document: Advice Code 2J; DLA distribution depot to indicate the storage location from which out-shipment of Component-owned material is to be made; ownership code; and condition code of the material.

C4.7.16.4 Requisitions created by organizational elements other than the Component ICP and sent to the Component ICP for approval shall be forwarded to the DSC using DS 511R, Referral Order. Mandatory entries prescribed in the subparagraph above for requisitions also apply to referral orders.

C4.7.16.5. DLA shall process a requisition or referral order in the above format and create a DS 940R, Material Release. Additionally, DLA shall produce and forward a DS 867I, Issue (DoD Activities), to the Component ICP for the issue quantity dropped from the DLA inventory records. Quantities not available shall be rejected to the Component ICP using Status Code CB.

C4.7.16.6. In the event a warehouse denial occurs, the distribution depot shall report the denial in the normal manner. DLA shall send a DS 867I, Issue (DoD Activities), reversal and a DS to Federal IC 947I, Inventory Adjustment – Decrease (Physical Inventory), to the applicable Component ICP. Requisition documents shall not be reinstated for continued supply action.

C4.7.16.7 Under the MOA, the DoD Component assets may be issued directly to DLA assembly points. The DS 511R, Requisition, must include Advice Code 8L; the depot to ship from, the DLA assembly point DoDAAC, Signal Code M, ownership code, and condition code. DLA shall process a requisition in this format and create the MRO. Additionally, DLA shall produce a DS 867I, Issue (Assembly/Disassembly/Conversion/Modification), and post to the DSC records. An image of the DS 867I shall be sent to the Component ICP.

C4.7.16.8 To accomplish a redistribution action of Component-owned assets between DLA depots under the MOA the following procedures apply. These actions shall be limited to a dual ownership change between the DLA DSC and the Component

ICP. That is, no material is actually moved; only DSC inventory record changes are made. To accomplish the redistribution action the DoD Component shall provide a DS 511R, Requisition, (DS 940R, Redistribution Order, is not allowed). The following entries are required: DoDAAC of new depot to show Component-owner assets; Signal Code M; Advice Code 8G (indicates dual ownership change); depot previously showing Component-owned assets; ownership code; and condition code. A DS 867I, Issue (DoD Activities), and DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activities), shall be recorded for DLA-owned material on the DSC inventory record. A DS 867I, Issue (Returned Purchases), and DS 527R, Material Receipt – Other Than Procurement Instrument Source (DoD Activity), for the Component-owned inventory shall be recorded and an image of the DS 867I and DS 527R shall be sent to the Component ICP.

C4.7.16.9 To terminate the asset posture under the MOA, the Component ICP may direct out-shipment of the material using the directed shipment format above, or one of the following methods.

C4.7.16.9.1 Change the ownership while maintaining the inventory at the same depot. To accomplish this the DoD Component shall submit a DS 511R. The following entries are required: Advice Code 8H, the depot, ownership code, and condition code. The DSC generates a DS 947I Issue (Other), internally and sends the Component ICP an image of the DS 947I and a DS 527R, Material Receipt – Other Than Procurement Instrument Source (Other).

C4.7.16.9.2 Direct the material to a DRMO. To accomplish this the DoD Component shall send a DS 511R. The following entries are required: Advice Code 8J; depot; and the DRMO

C4.7.17. Retransmitting Requisitions to Another Supply Source

C4.7.17.1. Continued Supply Action. The supply source may retransmit requisitions to another source for continued supply action. The supply source must always identify the date of receipt of the original requisition in the PO1 Loop, G62 segment, in the retransmitted requisition. The supply source must always include Special Requirements Code 888 in retransmitted requisitions submitted to the SMCA that are backorder releases from the DoD Component ICPs.

C4.7.17.2. Nonconsumable Items. When an SICA receives a requisition for a nonconsumable item from a SICA activity, the SICA may initiate supply action if stocks are normally held for this purpose, or the SICA may forward the requirement to the PICA. If forwarded to the PICA, the SICA must record the requisition as received from the SICA requisitioning activity and recode the requirement, as necessary, with status addressees, treasury symbol number/fund purpose code, and/or project code that will ensure PICA output of status, billing, MOV requests, and consignment instructions consistent with the SICA Service's NIP implementing instructions. If the

PICA is only to provide status to the SICA, the SICA shall not provide Status Code BM to the requisitioning activity. The SICA shall provide the SICA requisitioning activity with status received from the PICA based on the data elements and coding contained in the original requisition.

C4.7.18. Processing Follow-Ups

C4.18.1. Time Standards. Process the DS 869A or DS 869F to determine the current status of requisitions. Time standards for dispatching status in reply to follow ups established for the distribution system are as follows:

C4.7.18.1.1. PD 01-08. For PD 01-08, dispatch status within 2 calendar days from the date of receipt of the follow-up.

C4.7.18.1.2. PD 09-15. For PD 09-15, dispatch status within 5 calendar days from the date of receipt of the follow-up.

C4.7.18.2. Providing Shipment Confirmation. A storage activity, in response to a follow-up initiated by a supply source, shall use the DS 945A to provide shipment confirmation, denial, or supply status information, as appropriate.

C4.7.18.3. Storage Activity Processing. Storage activities shall provide Status Code BE if there is a record of the MRO but no record of having taken action in response to the MRO. Supply sources in receipt of this status validate the original requirement with the requisitioner or, for GFM requisitions, with the MCA. The MCA is responsible for taking the necessary action to validate GFM requirements with the requisitioner and the supply source. If the requested material has not been received, and the requisitioner's or the MCA's response indicates a continued valid requirement, the processing point shall generate an MRO modifier transaction, that contains the same data as the original MRO. Storage activities in receipt of MRO modifiers shall process them using paragraph C4.7.21..

C4.7.18.4. Generation of Pseudoshipment Status. Supply sources, in receipt of Status Code BE, or after 60 calendar days have passed from the MRO generation date without confirmation or receipt of an MRA, shall generate a shipment status DS 856S with Transaction Type Code NC, to DAAS. Shipment status for SA requisitions shall be forwarded to the applicable ILCO. This shipment status shall not cite a TCN or the mode of shipment and the generation date will be used as the date released to the carrier. DoD Components shall establish a management evaluation program that monitors storage activities providing Status Code BE. Goals should be established and the performance attained be a rating element of the activity commander.

C4.7.18.5. Storage Activity Response with no Record Receipt. Storage activities responding to a follow-up initiated by a supply source on an MRO for which no record is held at the storage activity shall provide Status Code BF.

C4.7.18.6. Supply Source Follow-Up Response. Supply sources in receipt of storage activity responses to follow-ups shall furnish appropriate status to eligible recipients using section C4.7 procedures.

C4.7.18.7. Request for Supply Assistance.

C4.7.18.7.1. Requests for supply assistance require management decisions relative to supply requirements that are not normally programmed in a manner to permit mechanical processing. Therefore, these transactions should be manually reviewed to permit a determination as to whether the ESDs can be improved. Receipt of requests for supply assistance serves as notification of the need for the concerned material to be received by consignees on dates earlier than those that would result from the shipments accomplished using the supply source ESDs. The actual date of the requirement need is the prerogative of the requisitioning activity. Any advancement of the ESDs, including a single day, shall be considered by supply sources as an improvement. Management decisions, designed to improve ESDs, should include one or more of the following, and/or any other additional actions that will cause improvement in ESDs:

C4.7.18.7.1.1. Cannibalization of existing equipment.

C4.7.18.7.1.2. Acceleration of repair programs.

C4.7.18.7.1.3. Offers of I & S items.

C4.7.18.7.1.4. Diversion of material shipments.

C4.7.18.7.1.5. Supply from reserve assets.

C4.7.18.7.1.6. Supply from known station or depot excess stocks.

C4.7.18.7.1.7. Supply resulting from screening of material held pending classification.

C4.7.18.7.2. ESD Improvement Considerations. During the course of actions taken to improve ESDs, follow-up inquiries shall not be construed by supply sources as authority to override any requirements of equal and/or higher priority. Consideration shall not be given to diversion of any assets required to satisfy requirements of equal and/or higher priority.

C4.7.18.7.3. Improving ESD. When determination is made that requested improvement in ESDs can be accomplished, the revised ESDs shall be transmitted to status recipients. When actions taken by management do not result in improved ESDs, status recipients shall be provided with the latest status applicable to the requisitions concerned.

C4.7.18.7.4. Supply Source Status. Supply sources, in receipt of follow-ups on requisitions for which MROs were created directing lateral redistribution of retail stock, shall provide applicable status as follows:

C4.7.18.7.4.1. If the current status is BA and the ESD or the UMMIPS timeframes, whichever applies, has not passed, provide Status Code BA with the appropriate ESD to the requisitioner.

C4.7.18.7.4.2. If the current status is BA and the ESD or the UMMIPS timeframes has passed, provide Status Code B5 to the requisitioner and send DS 940R, Material Release, with Transaction Type Code NB to the reporting activity. Supply sources in receipt of responses to follow-ups shall send appropriate status to eligible recipients using section C4.7. procedures.

C4.7.18.7.4.3. If the current status is positive shipping status, provide DS 856S with Transaction Type Code AS.

C4.7.18.7.5. Retransmitting Inquiries. Processing points retransmitting requisition inquiries to another supply source for continued action shall cite their DoDAAC as the FROM-address. Processing points receiving such retransmitted transactions shall not automatically retransmit such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.19. Force-Closed Material Release Confirmations. After generating pseudo shipment status transactions for unconfirmed MROs under subparagraph C4.7.18.4., above, supply sources shall hold the MRO record open pending an MRA response (under **Chapter 10**). If an MRA response is received, use it to close the record. For shipments to SA recipients, the supply source may elect to use the MRA data or generate a DS 940R, indicating the mode of shipment and date shipped from the MRA, to interface with billing. If an MRA response is not received within the initial and follow-up timeframes, the supply source may force-close the MRO. For shipment to SA recipients, supply sources shall ensure that proper inventory accounting and billing procedures are applied. In response to an MRA indicating nonreceipt, the supply source may force-close the open MRO and bill for the material, or reprocess (ship) the material based upon established dollar thresholds.

C4.7.20. Processing Redistribution Orders (RDOs)

C4.7.20.1. RDOs are originated by an ICP/IMM to direct release of material from a supply distribution activity to another within the same distribution system.

C4.7.20.2. Prepare RDOs using the DS 940R format.

C4.7.21. Processing Requisition and MRO Modifiers

C4.7.21.1. Supply Source Processing. Supply sources shall process a DS 511M, Requisition Modifier, transaction to provide for modification of requisitions on backorder or for which MROs have not been processed to storage or retail activities. The corresponding original requisitions in process, and material obligations, shall be recycled under DoD Component policy and normal processing actions shall be continued to accommodate the modified PD, special requirements code, or RDD/RDP.

C4.7.21.1.1. Modification. Modification of MROs is at the discretion of the DoD Components. However, modifications shall not be processed against requisitions for which MROs of retail assets have been generated.

C4.7.21.1.2. Direct Delivery Modification. Modification of requisitions that have been submitted to procurement sources for direct delivery is not required, except for requisition modifier transactions that contain:

C4.7.21.1.2.1. A revised country FMS offer/release option code and/or FF code.

C4.7.21.1.2.2. Special Requirements Code 555.

C4.7.21.1.2.3. Changes to the SHIP-TO address.

C4.7.21.1.3. Modifiers. The application of modifiers on requisitions for which split actions have been taken by the supply source is at the option of the DoD Components.

C4.7.21.1.4. Supply Source Status. Supply sources shall provide status (DS 870S) after processing requisition modifier transactions as follows:

C4.7.21.1.4.1. Invalid Transaction Entries. When the modifier transaction contains invalid entries for data elements listed in paragraph C4.5.1. **or the DoDAAC authority code edits in paragraph C4.8.10.**, the modifier request shall be rejected using Status Code D7.

C4.7.21.1.4.2. Requisition Modifier Transaction Not Honored. When the requisition modifier transaction is not honored because the requested modifications cannot be made, supply sources shall provide Status Code B2 to the activities designated on the unmodified requisition.

C4.7.21.1.4.3. Modifications Successfully Processed. When the requested modifications have been successfully processed, Status Code BK shall be provided.

C4.7.21.1.5. In addition, when modifier transactions are processed, supply sources shall provide the latest supply or shipment status to all parties identified in the original or modified requisition transaction.

C4.7.21.1.6. Supply sources shall process requested modifications only when all data fields can be modified, as requested. If this cannot be done, reject the modifier using DS 870S with Status Code B2.

C4.7.21.2. Submitting Modifier Transactions to Storage Activities. When the DoD Components modify MROs, submit a modifier transaction (DS 940R) to the applicable storage activity. Prepare the DS 940R modifier transaction as a result of processing the requisition modification.

C4.7.21.2.1. Storage activities, upon receipt of MRO modifier transactions, shall modify the original MRO whenever the modifier is received prior to the actual printing of the [DD Form 1348-1A](#). This shall be accomplished by matching the transaction reference numbers of modifier transactions with transaction reference numbers of MROs having been previously received, including a match of suffix codes.

C4.7.21.2.2. These modified transactions shall be processed in the normal manner prescribed for MROs.

C4.7.21.2.3. When storage activities receive MRO modifier transactions for which they have no record of the original MRO, they shall process the modifier transactions as new MROs.

C4.7.21.2.4. Storage activities shall provide DS 945A with Status Code B2 or BK to advise supply sources when requested modifications are or are not accomplished.

C4.7.21.3. Referring Activity Processing. When requisition modifications are referred to another supply source, the referring activity shall identify the activity to which the requisition was referred as well as their own activity in the transaction and retransmit. Processing points receiving such passed transactions shall not automatically pass such transactions back to the processing point from which the transaction was received without obtaining the prior agreement of that activity.

C4.7.22. Processing Single Line-Item Cancellation Requests. Supply sources, procurement, storage, and reporting activities shall process single line-item cancellations, as prescribed herein.

C4.7.22.1. Preventing Shipment of Unwanted Material. Supply sources, procurement, and storage, and reporting activities are responsible for exercising the fullest practical resourcefulness in preventing the issue and shipment of unwanted material. The practical considerations involved in processing cancellation requests include such factors as time, related packing and handling costs, the dollar value, and location of material for which cancellation is requested.

C4.7.22.2. General Rules. General rules for the disposition and diversion of material that has been shipped are as follows:

C4.7.22.2.1. Supply sources are responsible for providing diversion and/or disposition instructions for all items under their control destined for OCONUS that have progressed to the point where procurement actions cannot be terminated or shipment into the DTS has occurred. When OCONUS shipments have been lifted from CONUS terminals, the responsibility for diversion or disposition is that of the consignee, the appropriate commander, or the DoD Component.

C4.7.22.2.2. Supply sources may request diversion or disposition instructions from the DoD Component contact points designated in column 1 of Table C5.T1 for both nonstocked and non-NSN items. However, supply sources may, based on their stock position, divert material to depot stock.

C4.7.22.2.3. The DoD Components may predetermine and designate alternate consignees so that the DoDAAC of these activities may be inserted in later supply and/or transportation transactions. These predetermined destinations shall be based on considerations as stated above, and may vary by NSN, FSC, or Federal Supply Group (FSG).

C4.7.22.2.4. When OCONUS shipments cannot be diverted or held for disposition, storage, and procurement activities shall advise supply sources when elements of the DTS were unable to accomplish the desired shipment diversion or hold. The supply source shall provide DS 856S to all eligible recipients of status. These transactions shall contain a date, as provided by the clearance authorities, on which the shipment was lifted from the terminal for delivery OCONUS.

C4.7.22.2.5. When diversion of OCONUS shipments is accomplished by the DTS, supply sources shall furnish DS 870S with Status Code B6 to all authorized status organizations. The advice of actions taken by the DTS shall be provided under DoD 4500.9-R.

C4.7.22.2.6. Supply sources shall automatically initiate cancellation action for unfilled quantities of material obligations or open requisitions upon deletion of a DoDAAC **identified as requisitioner, ship-to, or bill-to activity from the DoDAAD**. Applicable supply and shipment status shall be furnished to authorized recipients and, in the event DAAS does not have a recorded DoDAAC, the status shall be disposed of.

C4.7.22.2.7. Costs incurred in cancellations/diversion shall be billed as provided in subparagraph C4.7.26.6., below.

C4.7.22.2.8. No attempt shall be made to stop or divert shipments to CONUS (domestic) consignees once released for shipment, regardless of the mode of shipment.

C4.7.23. Processing Mass or Universal Cancellation Requests

C4.7.23.1. Supply sources are responsible for assuring that requisition processing, procurement, and storage activities exercise the fullest practical

resourcefulness in preventing the issue and shipment of unwanted material. The practical considerations involved in the processing of cancellation requests include such factors as time, packing and handling, related costs, and the location of material for which cancellation is requested.

C4.7.23.2. Supply sources in receipt of mass or universal cancellation requests shall cancel quantities for which MROs, and/or purchase requests have not been submitted to storage or procurement activities. Provide DS 870S, with Status Code BQ or B4, as appropriate, as notice of accomplished cancellations to all authorized status organizations within the timeframe for sending status.

C4.7.23.3. Supply sources shall send DS 870S with Status Code B9 to all authorized status organizations under Chapter 5 within the timeframes for sending status for:

C4.7.23.3.1. Unconfirmed MROs and open procurement actions.

C4.7.23.3.2. MRCs that indicate shipment to OCONUS activities within 45 calendar days of the effective date of the mass cancellation.

C4.7.23.4. Provide DS 870S with Status Code BQ, B4, or B6 as notification for each line-item actually canceled or diverted and Status Code B8 for each line-item not canceled or diverted.

C4.7.23.5. Supply sources shall provide storage activities cancellation requests, DS 940R, for all unconfirmed MROs and MRCs that indicate shipment to OCONUS activities within 45 calendar days of the effective date of the mass or universal cancellation.

C4.7.23.6. Supply sources shall provide procurement activities cancellation requests, DS 869C, for all open procurement actions.

C4.7.23.7. Supply sources shall not provide storage and procurement activities with cancellation requests when:

C4.7.23.7.1. In receipt of MRCs that show shipment has been accomplished by parcel post.

C4.7.23.7.2. In receipt of MRCs that show shipment to CONUS activities has been accomplished.

C4.7.23.7.3. In receipt of MRCs that show shipment to OCONUS customers was accomplished more than 45 calendar days prior to the receipt of the mass or universal cancellation request.

C4.7.23.8. The following rules apply to mass or universal cancellation of shipments from storage:

C4.7.23.8.1 Upon receipt of the mass or universal cancellation DS 869C pending the receipt of single line-item cancellation requests DS 940R from the supply source, the storage activity shall identify all affected MROs where the items have not been released to a carrier for delivery to the consignee.

C4.7.23.8.2. For universal cancellation, the storage activity shall suspend further processing of all MROs, including any containing Special Requirements Code 555.

C4.7.23.8.3. For those OCONUS shipments that meet the mass or universal cancellation criteria and have entered the DTS within 45 calendar days of the date of the mass or universal cancellation request, the storage activity shall generate a DS 945A with Transaction Type Code NR in the WO6 segment and Status Code DW in the LQ segment.

C4.7.23.8.4. Storage activities shall accomplish cancellation for all items for which single line-item cancellation requests DS 940R with Transaction Type Code ND are received from the supply source and the items have not been released to a carrier for delivery to the consignee.

C4.7.23.8.5. Storage activities shall advise the supply source of their actions taken in response to cancellation requests. When a shipment has not been released to the carrier for delivery to consignee and cancellation is accomplished, DS 945A shall be prepared and sent to the supply source with Status Code BQ.

C4.7.23.8.6. When storage activities do not accomplish cancellation, the supply source shall be furnished DS 945A with Status Code B8.

C4.7.23.8.7. Storage activities in receipt of transportation confirmation of shipment diversion transactions shall send to the appropriate supply source a material release advice with Status Code BQ, for requisitions contained within the shipment unit. The material release advice in this instance shall contain, in addition to the normal data elements, the identification of the new consignee.

C4.7.23.8.8. Storage activities in receipt of transportation denial of shipment diversion transactions shall send to the appropriate supply source a material release advice with Status Code B8.

C4.7.23.9. All rules governing single line-item cancellation of shipments from procurement also apply to requests for mass or universal cancellation, except as modified herein:

C4.7.23.9.1. The supply source shall initiate cancellation requests for all items scheduled for direct delivery, and for which purchase requests have been submitted, regardless of material costs.

C4.7.23.9.2. Procurement activities shall not initiate actions with the DTS to cause diversion of shipments at terminals.

C4.7.23.9.3. For those OCONUS shipments that have entered the DTS within 45 calendar days of the date of the mass or universal cancellation request, or from the date of receipt of the DS 869C from the supply source, the procurement activity shall send a DS 945A with Action Code AW in the W06 segment to the DAASC.

C4.7.23.9.4. Procurement activities in receipt of confirmation of shipment diversion transactions shall send to the appropriate supply source a DS 945A with Status Code BQ for requisitions contained within the shipment unit. The DS 945A in this instance will contain, in addition to the normal data elements, the DoDAAC of the new consignee.

C4.7.23.9.5. Procurement activities in receipt of denial of shipment diversion transactions shall send, to the appropriate supply source, DS 945A with Status Code B8.

C4.7.23.10. Disposition of Frustrated Shipments and/or Material From Mass/Universal Cancellation Actions

C4.4.23.10.1. The disposition of frustrated shipments at WPOEs/APOEs that are the result of mass or universal cancellation action shall be as follows:

C4.7.23.10.1.1. Shipments from DoD storage points, or from commercial vendors acting under the direction of a DoD procuring activity, shall be diverted to the predesignated storage sites of the shipping/procuring DoD Component.

C4.7.23.10.1.2. Shipments from GSA storage points, or from commercial vendors acting under the direction of a GSA-procuring activity, shall be diverted to predesignated GSA material returns facilities.

C4.7.23.10.1.3. DTS attempts to divert/frustrate shipments shall terminate 45 calendar days from the effective date of the mass or universal cancellation message.

C4.7.23.10.2. Certain strategic and tactical operations or political considerations may dictate that all shipments for a given consignee be stopped or diverted. In these most restrictive of shipment diversion situations and economic considerations, such as, the comparison of accessorial cost of stopping, holding, and returning the material to depots/storage activities, the value of the canceled material and the costs of the receiving activity to perform the necessary processing or reprocessing of the material are not controlling factors. In most situations, however, the strategic, tactical, or political environment is such that complete disregard of these economic considerations is not warranted.

C4.7.23.10.3. Transportation diversion procedures are established to permit diversion only if the material being shipped can be identified and located by TCN.

C4.7.23.10.3.1. Non-Consolidated Shipment Units. Shipment units eligible for cancellation that have not been consolidated into a container with other shipments shall be stopped and diverted by the POE up to the point of lift. Diversion of cancellation eligible shipments at or beyond the POD shall be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.23.10.3.2. Consolidated Multiple Shipment Units. Individual line-items shall not be removed from multiple-line shipment units (consolidated packs), nor shall a shipment unit container be removed from a multi-container shipment (SEAVAN) type device. Shipment units cannot be diverted in the DTS if stuffed or loaded with other shipment units or on multiple shipment unit devices; such as, SEAVANS, container express (CONEX), MILVANS (Military Van), and AIRCRAFT PALLETS.

C4.7.23.10.4. For those mass or universal cancellation requests which specify FSC, FSG, NSN, or part number data, the DTS shall stop and frustrate, for the DoD Component review, all shipments of the canceling DoD Component for the affected consignees. Disposition of cancellation eligible shipments at or beyond the POD shall be the responsibility of the appropriate theater, force, logistics, or type commander.

C4.7.23.10.5. DTS shall generate specified documentation for the following categories of shipments:

C4.7.23.10.5.1. For all shipments that are diverted, as a result of mass or universal cancellation, DTS shall generate a confirmation of shipment diversion transaction to DAAS. The confirmation of shipment diversion shall contain complete transportation movement and control document (TCMD) data for each shipment unit and, if available, the contract number. In addition:

C4.7.23.10.5.1.1. For shipments diverted under pre-positioned instructions, DTS shall send a GBL to the new consignee.

C4.7.23.10.5.1.2. For shipment units frustrated but not diverted to a specific site, DTS shall send a request for disposition instructions to DAAS, which will route the transactions to the appropriate DoD Component contact points. In situations where the designated DoD Component contact point is a collocated liaison office, the request for disposition instruction transactions shall be listed and provided to the contact point directly. After receipt of disposition instructions for such frustrated shipments, DTS shall prepare a GBL or other appropriate transaction for the new consignee.

C4.7.23.10.5.1.3. For shipments intransit to, at, or between POD and OCONUS consignee, OCONUS DTS activities shall request disposition

instructions from the appropriate theater, force, logistics, or type commander's designated contact point.

C4.7.23.10.5.2. For shipments in transit between WPOE/APOE and OCONUS consignees less than 30 calendar days, DTS shall:

C4.7.23.10.5.2.1. Generate a listing of the manifest shipment unit data, vessel/aircraft identification, and departure date, water port of debarkation (WPOD)/aerial port of debarkation (APOD), and estimated time of arrival (ETA). This listing shall be sent to the affected OCONUS command component, the appropriate WPOD/APOD, and to the designated contact point, if requested.

C4.7.23.10.5.2.2. Send denial or shipment diversion transactions for each individual shipment unit to DAAS.

C4.7.23.10.6. Storage sites in receipt of diverted shipments shall report the receipt to the appropriate supply source under Chapter 13. Reconsignment/disposition shall be as directed.

C4.7.23.10.7. The DoD Component initiating cancellation requests applicable to U.S. Forces requisitions shall be charged with: (1) transportation and terminal costs associated with holding, stopping, and returning material to depots/storage; (2) procurement termination costs when it is determined that termination is in the best interest of the Government; and (3) excess transportation costs that may be incurred when moving cargo unaffected by the mass or universal cancellation action. Specific instructions concerning material transportation charges and credit allowances are contained in the [DoD 7000.14-R](#), [DoD 4140.1-R](#), [FPMR 101-26.311](#), and FPMR 101-27.505.

C4.7.24. Processing of Mass or Universal Cancellation Transactions by DAAS

C4.7.24.1. Upon receipt of the mass or universal cancellation request, DAASC shall begin the establishment of a transportation to supply documentation correlation (TSDC) file. DAASC shall add to the TSDC file a copy of each DS 945A that has Transaction Type Code NR in the WO6 segment and Status Code DW in the LQ segment.

C4.7.24.2. When a confirmation of shipment diversion transaction is received from the DTS, DAAS shall match the TCN with the TCN in all applicable DS 945A transactions in the TSDC file. DAAS shall send DS 870S with Status Code B6 to the applicable supply source for each material release advice transaction matched. In this instance, the supply status transaction shall contain the DoDAAC of the new consignee.

C4.7.24.3. When a denial of shipment diversion transaction is received from DTS, DAAS shall match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. DAAS shall send DS 870S with Status Code B8 to the applicable supply source for each material release advice matched.

C4.7.24.4. When a request for disposition instructions is received from DTS, DAAS shall match the TCN with the TCN in all applicable material release advice transactions in the TSDC file. DAAS shall send a narrative message to the designated canceling DoD Component contact point that provides the contact point with the TCMD transaction data, plus all supporting material release advice transactions which comprise the shipment.

C4.7.24.5. For those material release advice transactions on which confirmation/denial shipment diversion, or request for disposition instruction transactions are not received within 21 calendar days of the date of the mass or universal cancellation request, DAAS shall initiate a shipment tracer action under DoD 4500.9-R to the APOE/WPOE indicated in the material release advice.

C4.7.24.6. When confirmation/denial of diversion or request for disposition instruction transactions are received from the transportation clearance authorities, and DAAS does not find a corresponding material release advice record within the TSDC file, DAAS shall forward DS 870S transactions to the shipping activity identified in the transportation mass/universal cancellation status transactions.

C4.7.25. Supply Source Processing of Single Line-Item Cancellation Requests. Process cancellation requests DS 869C, as follows:

C4.7.25.1. First, against backorders in the following order of assigned Status Code: BB, BC, BD, BZ, and BV.

C4.7.25.2. Second, against unconfirmed shipments (Status Code BA).

C4.7.25.3. Third, confirmed OCONUS shipments DS 945A, when shipped (to surface/aerial POEs and SEAVAN assembly points) prior to ICP receipt of cancellation requests in less than 45 calendar days for surface mode and 10 calendar days for air mode.

C4.7.25.4. Fourth, against all other status.

C4.7.26. Processing Point Procedures. Processing points receiving passed cancellation transactions shall not automatically pass such transactions back to the processing point from which the transaction was received without obtaining prior agreement of that activity.

C4.7.26.1. Initiating. Initiate/accomplish cancellation actions against the quantity in the cancellation request received.

C4.7.26.2. Editing. Edit cancellations processed to preclude duplicate cancellations. As a minimum, this edit shall compare quantity, transaction reference number, suffix, and preparation date. Discard duplicates. Process all other cancellations as received.

C4.7.26.3. Processing. Process cancellation requests, regardless of dollar value or quantity, to immediately cancel quantities for which MROs and purchase requests have not been submitted to the depot/storage, reporting or procurement activities.

C4.7.26.4. Quantity Limits. If the quantity in the cancellation request is equal to, or less than, the backorder quantity at the supply source (Status Code BB, BC, or BD), effect cancellation immediately and send DS 870S with Status Code BQ to all authorized status organizations. Since cancellation action cannot be effected immediately on requisitions in Status Code BV, send DS 870S with Status Code B9 to all authorized status organizations.

C4.7.26.5. Diversions. When cancellation requests are against released shipments or direct vendor delivery with Status Code BV, the supply source shall consider diversion of the material to depot stock or to fill other demands/backorders, or contract termination, as appropriate. The foregoing also applies to nonstocked and non-NSN material at S/A option, when there is a foreseeable demand for the item.

C4.7.26.6. Status.

C4.7.26.6.1. In the event the above actions are taken, use DS 870S with Status Code B4 to indicate that the organization identified in the canceled requisition may be billed as follows:

C4.7.26.6.1.1. Transportation costs for returning the material to depot/storage and/or procurement termination costs when it is determined that termination is in the best interest of the Government.

C4.7.26.6.1.2. Specific instructions concerning material, transportation charges, and credit allowances are contained in DLMS Volume 5, Finance.

C4.7.26.6.1.3. In addition to the above costs, when applicable, the supply source shall bill rebuilding costs and other expenses incurred in canceling SA requisitions under DoD 5105.38-M.

C4.7.26.6.1.4. Charge for transportation (such as terminal costs associated with stopping, holding, and returning material to depots or storage) and procurement termination costs incident to actual diversion/cancellation of FMS requisitions under DoD 5105.38-M.

C4.7.26.7. Reversals. Demand data previously recorded will be reversed by the quantity of the cancellation request. The demand data must always be adjusted regardless of the outcome of processing the cancellation request.

C4.7.26.8. Notification. Provide notice of the success or failure of cancellation or diversion actions to all authorized status organizations under section C5.2. Use the supply or shipment status to provide this notice as follows:

C4.7.26.8.1. DS 870S with Status Code B4, B6, BQ, BR, or BS to indicate cancellations/diversions accomplished.

C4.7.26.8.2. DS 870S with Status Code B9 to indicate cancellation/diversion action being attempted.

C4.7.26.8.3. DS 856S with shipment status to indicate cancellation/diversion not accomplished.

C4.7.26.8.4. DS 870S with Status Code B8 to indicate cancellation not accomplished as a follow-up to the previously sent Status Code B9.

C4.7.26.8.5. DS 870S with Status Code BF to indicate no record of the transaction reference number for the cancellation request submitted.

C4.7.26.8.6. DS 870S with an appropriate B_, C_, or D_ series status code for those transactions showing a record of a previous cancellation or rejection.

C4.7.27. Supply Source Submission of Single Line-Item Cancellation/Diversion Requests to Procurement

C4.7.27.1. Using DS 869C. Use DS 869C to prepare cancellation requests. Cite the appropriate contract data when sending cancellation requests to procurement. Identification of the contract data or procurement/purchase request number (PRN) shall be dependent upon whether a number is assigned to a contract and is known to the supply source at the time of receipt of the cancellation request. When the PRN is used, indicate the DoDAAC of the consignee to which to divert the shipment. When the supply source does not desire diversion, do not indicate a diversion address.

C4.7.27.2. Required Information. All requests for cancellation/diversion submitted to the procurement activity shall contain the following minimum information:

C4.7.27.2.1. Notification that the transaction is a request for cancellation or diversion.

C4.7.27.2.2. Identification of the supply source submitting the request.

C4.7.27.2.3. The stock or part number or description of the item involved.

C4.7.27.2.4. The quantity of the item to be canceled/diverted.

C4.7.27.2.5. The original requisition document number and the suffix code, if applicable.

C4.7.27.2.6. Identification of the ship-to and mark-for addresses, as contained in the applicable purchase request.

C4.7.27.2.7. All contract data, if known; otherwise, the PRN and date of the purchase request.

C4.7.27.2.8. Diversion or hold instructions to include coded and in-the-clear, ship-to, and mark-for addresses for shipment if diversion is to be accomplished.

C4.7.26.3. Cancellation/Diversion Requests. Submit cancellation/diversion requests to procurement activities:

C4.7.27.3.1. Regardless of dollar value and/or quantity, when the purchase requests have been submitted but the contracts have not been awarded. This applies to items and/or quantities assigned Status Code BZ.

C4.7.27.3.2. For items and/or quantities on awarded contracts and/or purchase agreements and the dollar value of the cancellation/diversion action exceeds \$200.

C4.7.27.4. Supply Source Responsibilities. Supply sources shall decide whether to suspend or continue the cancellation, diversion, or hold actions. Decisions to continue cancellations or diversions shall be provided to procurement activities by cancellation request documents prepared in the manual format and containing the notation: SUPPLY SOURCE DECISION FOR CANCELLATION OR DIVERSION. Supply sources shall advise the ILCO of contractual agreements that will result in cost conditions if cancellations, diversions, or holding are accomplished. ILCOs shall decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellations or diversions shall be sent the supply source by narrative message containing the notation: ILCO DECISION FOR CANCELLATION OR DIVERSION.

C4.7.27.5. Exceptions to Cancellation/Diversion Requests. Do not submit cancellation/diversion requests or requests for determination whether cancellation is in the best interest of the Government to procurement activities when:

C4.7.27.5.1. The dollar value of the request is less than \$200.⁴

C4.7.27.5.2. [DD Form 250](#), Material Inspection and Receiving Report, shipment performance notice (SPN), vendor shipment notice, or equivalent is on record indicating:

C4.7.27.5.2.1. Shipments to CONUS consignees were released to carriers regardless of dollar value.

⁴As an exception for intra-Component use only, cancellation/diversion may be submitted to procurement regardless of dollar value when critical/short supply items are affected.

C4.7.27.5.2.2. Shipments to OCONUS consignees were previously released to carriers, and the number of days prescribed above have elapsed (10 calendar days air/45 calendar days surface).

C4.7.27.5.2.3. Shipment/delivery by air mail or parcel post. In this case, shipment status shall be sent in response to cancellations received.

C4.7.27.6. Notice of Cancellation/Diversion Actions. Send notice of the success or failure of cancellation or diversion actions to authorized status organizations under the procedures of Chapter 5. Use supply and/or shipment status to provide this notice as follows:

C4.7.27.6.1. DS 870S with Status Code B4, B6, BQ, or BS applies to cancellations/diversions accomplished.

C4.7.27.6.2. DS 870S with Status Code B9 indicates cancellation/diversion action being attempted.

C4.7.27.6.3. DS 856S with shipment status indicates cancellation/diversion not accomplished.

C4.7.27.6.4. DS 870S with Status Code B8 indicates cancellation not accomplished when Status Code B9 previously sent.

C4.7.28. Procurement Activity Processing of Single Line-Item Cancellation and/or Diversion Requests to Procurement

C4.7.28.1. Processing Sequence. DS 869C and manual cancellation/diversion requests shall be processed in PD sequence.

C4.7.28.2. Immediate Cancellation. Immediate cancellation action shall be taken when contracts have not been awarded and/or firm orders have not been issued/placed.

C4.7.28.3. Procurement Activity Responsibilities. Procurement activities shall advise the supply source of contractual agreements that may result in unfavorable cost conditions if cancellation, diversion, or holding actions are accomplished. Supply sources shall decide whether the cancellation, diversion, or hold actions will be suspended or continued. Decisions to continue cancellation or diversion shall be sent to procurement activities by cancellation request documents prepared in the manual format and containing the notation: SUPPLY SOURCE DECISION FOR CANCELLATION OR DIVERSION.

C4.7.28.4. Cost of Diversion. The cost of diversion or shipment hold actions shall be sent to the supply source for appropriate billing. Costs incurred in contract termination and diversion shall also be sent to supply sources to permit appropriate billing.

C4.7.28.5. Procurement Actions with Clearance Authorities. Procurement activities are required to initiate actions with clearance authorities to cause diversion of shipments at terminals. Procurement activities requiring diversion instructions, when a new consignee is not provided, shall request these instructions from the supply source by telephone or message.

C4.7.28.6. Actions Not in Government's Best Interest. When the above cancellation/termination or diversion/hold actions would not be in the best interest of the Government, the supply source shall be advised and requested to give a decision by a specified date.

C4.7.28.7. Initiating Contract Actions. Actions to cancel, divert, or terminate contracts shall be initiated within 1 working day from receipt of cancellation requests. These actions must be completed as fast as possible, but shall not exceed 5 working days for PD 01-08 requests and 10 working days for PD 09-15 requests. When multiple cancellation requests are received on the same day, consideration shall be given to the priority of the requests, OCONUS destination, the dollar value of the material, and the status of the contract involved.

C4.7.28.8. Supply Source Notification. The procurement activity shall advise the supply source the attempted stop/diversion action has/has not been done by DTS within 2 working days of receiving the confirmation/denial notification from DTS.

C4.7.29. Supply Source Processing of Cancellation Requests for MROs of Retail Assets

C4.7.29.1. Requirements. Supply source cancellation requests, DS 940R, shall be sent to reporting activities regardless of dollar value and quantity when Status Code BA is recorded, but shipment status has not been received. The supply source shall send DS 870S with Status Code B9 to all eligible recipients. If shipment status has been received, provide this status to all eligible recipients.

C4.7.29.2. Status Reporting. Supply sources in receipt of responses to cancellation requests shall send appropriate status to all eligible recipients.

C4.7.30. Supply Source Submission of Single Line-Item Cancellation and/or Diversion Requests to Storage Activities

C4.7.30.1. Requirements. Supply source cancellation requests or follow-ups on cancellation requests, DS 940R, shall be sent to storage activities:

C4.7.30.1.1. Regardless of dollar value and quantity when Status Code BA is recorded, but an MRC has not been received; this applies to PD 01-15 requisitions/MROs for U.S. Forces, CONUS and OCONUS, and SA.

C4.7.30.1.2. When MRC is recorded on an OCONUS shipment released to a carrier for shipment to POE, less than 45 calendar days by surface mode

or less than 10 calendar days by air mode, and the dollar value of the shipment exceeds \$200.

C4.7.30.2. Diversions. DS 940R shall identify the DoDAAC of the activity to which shipments will be diverted when shipment has already been released. When the supply source does not desire or cannot provide diversion to a specific activity, do not indicate a diversion address. In the latter case, the supply source shall obtain and provide alternate destinations, if requested, by storage activities.

C4.7.30.2.1. Attempted Diversions. In the case of an attempted diversion, the supply source shall send DS 870S with Status Code B9 to authorized status organizations.

C4.7.30.2.2. Exceptions. Supply sources shall not send storage activities requests for cancellation/diversion when:

C4.7.30.2.2.1. In receipt of the MRC at the time of receipt of a cancellation request and the item requested for cancellation has a line-item value of less than \$200 and is for an OCONUS shipment.

C4.7.30.2.2.2. Receipt of an MRC and OCONUS shipment has been done by parcel post, priority mail, or UPS.

C4.7.30.2.2.3. The MRC is recorded on an OCONUS shipment released to the carrier for shipment more than 45 calendar days by surface mode or 10 calendar days by air mode prior to receipt of the cancellation request.

C4.7.30.2.2.4. Receipt of the MRC and shipment to a CONUS activity was done prior to the receipt of the cancellation request.

C4.7.30.2.3. Shipment Status Reporting. In the instances described above, send DS 856S to authorized status organizations.

C4.7.31. Storage Activity Processing of Single Line-Item Cancellation and/or Diversion Requests

C4.7.31.1. Processing Cancellations. Process cancellations using DS 940R in the sequence prescribed in subparagraph C4.7.1.2. and C4.7.25.

C4.7.31.2. Maintaining Records. Maintain records to allow a determination whether line items shipped were in single-line or multi-line shipment units and the respective dollar value of each. This allows identification of shipment units susceptible to cancellation and determination whether cancellation actions should be continued under the following policies and procedures.

C4.7.31.3. DoD Component Data Processing. To the extent that processing capability is available, the DoD Components shall develop and maintain data to:

C4.7.31.3.1. Depot Work Area Identification. Allow identification of the depot work area to which shipment processing should have progressed. Work areas for consideration are as follows:

Table C4.T2. Depot Work Area Identification

<u>COMPUTER</u>	<u>STORAGE</u>	<u>SHIPMENT PREPARATION</u>	<u>SHIPPING</u>
Mechanized processing of DS 940 - Material Releases and output of DD Forms 1348-1A and stop shipment notices	Bin Area Bulk Area	Preservation Packaging Packing Consolidation Parcel Post	Consolidation Air Freight Motor (Truck) Freight Rail Freight

C4.7.31.3.2. Processing Time. Include the maximum time experienced in processing DD Form 1348-1A or 1348-2 shipments in each of the above work areas (within total time allowed by DoD 4140.1-R from receipt of MRO to release to transportation). Such data would provide a basis for determining the work areas where stop shipment action could be taken on receipt of a supply source cancellation request to the storage activity. Also, consider the transaction priority as it affects processing time in hours versus days.

C4.7.31.4. Routing. The storage activity, upon receipt of a cancellation request DS 940R from the supply source, shall determine the appropriate work area(s) to which the stop shipment notices would be sent when cancellation of an in process DD Form 1348-1A shipment is required. Stop shipment notices shall include pertinent line-item/transaction identification, priority, and information whether a single-or multi-line shipment unit, is involved. A separate stop shipment notice shall be issued to the current work area and every other work area through which the shipment would later be processed.

C4.7.31.5. Cancellation. Do cancellation for all items/quantities for which a DD Form 1348-1A has not been released to storage work areas.

C4.7.31.6. Release to Storage Work Area. Attempt cancellation for all items/quantities for which a DD Form 1348-1A has been released to storage work areas and there is no record of transportation release to a carrier, unless:

C4.7.31.6.1. The dollar value is less than \$25 for a single line-item shipment unit.

C4.7.31.6.2. The dollar value of a single line-item packed in a consolidated shipment unit is less than \$200.

C4.7.31.7. Source Notification. The storage activity shall advise the supply source and, if applicable, all authorized status organizations of actions taken in response to cancellation requests. Send this notice as follows:

C4.7.31.7.1. When the storage activity has no record of the MRO receipt, provide Status Code BF using a DS 945A.

C4.7.31.7.2. When the items have not left the depot and cancellation action is accomplished, respond only to the supply source with a DS 945A with Status Code BQ.

C4.7.31.7.3. When cancellation is not attempted under the less than \$25/\$200 criteria, the storage activity shall send the supply source a DS 945A with Status Code B8.

C4.7.31.7.4. When the items have been released to a carrier in shipments destined to a CONUS customer, take no action to stop/divert the material beyond the point of shipment. Send the supply source a DS 945A with Status Code B8 (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.

C4.7.31.7.5. When the items have been released to a carrier in shipments destined for an OCONUS consignee, the storage activity shall initiate actions under DoD 4500.9-M to stop or divert shipments within the DTS. Send Status Code B9 to the supply source via a DS 945A.

C4.7.31.7.6. The storage activity shall not initiate action to stop or divert OCONUS shipments within DTS when:

C4.7.31.7.6.1. The items are consolidated in a multi-line shipment unit.

C4.7.31.7.6.2. The items were in OCONUS shipments released to carriers for shipment more than 45 calendar days by surface or more than 10 calendar days by air prior to receipt of the cancellation request.

C4.7.31.7.6.3. The items were shipped to OCONUS customers by priority mail, parcel post, or UPS.

C4.7.31.7.6.4. A single line-item shipment has a total dollar value of less than \$200.

C4.7.31.7.6.5. The single line-item shipment unit has a total dollar value of less than \$1,000 and was shipped in consolidation with other shipment units in larger containers, such as, CONEX and SEAVAN.

C4.7.31.8. Status Notification. Following receipt of confirmation that shipment stop or diversion action has been accomplished by DTS, the storage activity shall provide Status Code B6 to the supply source.

C4.7.31.9. Stop/Diversion Non-Initiated. When the storage activity does not initiate stop or diversion action with DTS because of one of the conditions identified above or, when notified that a requested stop or diversion action has not been done by DTS, the storage activity shall send to the supply source a DS 945A with Status Code B8 (Transaction Type Code NJ in the WO6 segment) and pertinent shipping information in the applicable segments.

C4.7.31.10. Notification Requests. Storage activities requiring diversion instructions when applicable information is not included in the cancellation request shall request such instructions from the supply source by telephone or message.

C4.7.31.11. Processing Time. Storage activities must complete the above actions in 2 working days for PDs 01-08 and 5 working days for PDs 09-15.

C4.7.31.12. Status of Stop/Diversion Request. The storage activity must advise the supply source the attempted stop or diversion action has or has not been done by DTS within 2 working days of receiving the confirmation or denial notification from DTS.

C4.7.32. Reporting Activity Processing Cancellation Requests for Lateral Redistribution Orders (LRO) of Retail Assets

C4.7.32.1. Cancellation. Reporting activities shall attempt cancellation to the maximum extent possible.

C4.7.32.2. No LRO Record. When the reporting activity has no record of the LRO receipt, send the supply source DS 945A with Status Code BF.

C4.7.32.3. Cancellation not Possible. When cancellation cannot be done, send the supply source DS 945A with Status Code B8.

C4.7.32.4. Successful Cancellation. When cancellation can be done, send the supply source DS 945A with Status Code BQ.

C4.7.32.5. Diversion. The reporting activity shall not attempt diversion of material confirmed shipped.

C4.7.33. DVD of Requisitions

C4.7.33.1. Supply Activity Interface. In instances where requisitions are done by DVD, an interface is required between supply and purchasing operations. This interface will result in an interchange of specific information and documentation between supply sources and procurement activities to ensure:

C4.7.33.1.1. Transmission of status to designated recipients in an orderly and timely fashion.

C4.7.33.1.2. Proper marking of shipment containers.

C4.7.33.1.3. Delivery of material using priorities or RDDs.

C4.7.33.2. Purchase Requests. Purchase requests must contain specific in-the-clear and coded data as specified below, which shall be perpetuated on procurement instruments and related transactions:

C4.7.33.2.1. The original requisition number, including suffixes when assigned.

C4.7.33.2.2. In-the-clear, ship-to address of the ultimate consignee and mark-for address, when applicable.

C4.7.33.2.3. Project code and project name, if applicable.

C4.7.33.2.4. Schedule of deliveries using RDDs or RADs, whichever is applicable. List items on procurement requests in descending sequence of delivery or availability dates. (A separate requisition number is required for each delivery date, consignee, and priority.) This sequence will provide for listing items with earliest dates first and shall result in the required schedule of deliveries.

C4.7.33.2.5. Identification and address of the organization to receive the notice or evidence of shipment made by contractors as required by DoD FAR Supplement, Appendix F-401, table 2.

C4.7.33.3. DVD Requisitions. Identify requisitions to be supplied by DVD sources separately from stock replenishment buys on purchase requests.

C4.8 DAAS EDIT OF INCOMING REQUISITIONS

C4.8.1 DAAS shall edit all incoming requisitions and other DLMS transactions for data errors and validity under procedures in DoD 4000.25-10-M .

C4.8.2 As a result of these edits, DAAS shall correct data entries or reject transactions. In case of supply source errors, the correct supply source shall be entered and the transaction rerouted, as appropriate.

C4.8.3 DAAS shall reject all requisitions/EMALL orders containing GY/GZ series AACs. DAAS shall send DS 870S transactions with Status Code CX to advise all concerned of rejection of the requisition.

C4.8.4 DAAS shall pass all DS 511R transactions to the DoDAAC present in the incoming transaction.

C4.8.5 DAAS shall validate requisitions for invalid/expired OSD/CJCS Category D project codes (see <https://www.dla.mil/j-6/dlmsollogdrms/logview/LQVTOC.ASP>). DAAS shall blank out the inappropriate project code and send DS 870S with Status Code BK to the customer.

C4.8.6 DAAS shall validate F/AD I usage through the requisitioning process. Requisitions with an unauthorized priority designator according to <https://www.dla.mil/j-6/dlmsollogdrms/logview/LQVTOC.ASP> shall be downgraded. DAAS shall send DS 870S with Status Code BK to the customer.

C4.8.7 DAAS shall perform validation of requisitions (DS 511R, DS 517M, and DS 869F) for accuracy and reasonableness of the entry in the RDD field and its compatibility with the PD. DAAS shall send DS 870S with Status Code BK to advise the requisitioner of the resulting modification. For SA requisitions forwarded to the applicable ILCO, DAAS shall not blank out customer input. DAAS shall perform PD and RDD edits according to figure C4.T1. supply source guidance.

C4.8.8 DAAS shall identify non-appropriated instrumentalities and prime vendor contractors using non-contractor DoDAACs for billing and provide for billing under non-interfund procedures by changing the fund code for these requisitions to XP. A DoD Prime Vendor contractor is identified as a DoDAAC beginning with SD or FT. A non-appropriated funded activity is identified as a DoDAAC beginning with FT or FF. DAAS shall send DS 870S with Status Code BK to the customer.

C4.8.9 DAAS shall perform validation of requisitions for authorized ordering or billing DoDAACs. Reject requisitions when the requisitioning DoDAAC is not authorized to order identified as follows: DoDAACs beginning with F followed by all numerics, FA, or FY. Reject requisitions when the DoDAAC may not be used for billing identified as DoDAACs beginning with FA or FY. DAAS shall send DS 870S transactions with Status Code CX to advise all concerned of the rejection of the requisition.

C4.8.10. DAAS and SOS shall perform validation of requisitions, modifiers, and follow-ups that can be treated as requisitions for authorized ordering, bill-to, or ship-to DoDAAC according to the DoDAAC authority codes below, and will reject requisitions that do not meet the DoDAAC authority code edits⁵. DAAS or the SOS will furnish Status Code CX to advise all concerned of the rejection of the requisition. If the transaction failing the edit is a modifier, then DAAS or the SOS will reject with Status Code D7.

C4.T3. DAAS Authority Codes

<i>Code</i>	<i>Description</i>	<i>Definition/Segment/Code</i>
<i>00</i>	<i>Requisition</i>	<i>Authorized to initiate a requisition/purchase for</i>

⁵ ***Deferred implementation of authority code edits is authorized pending supply source system modernization. Also note that DAAS is currently using MILSTRIP edits for DLMS transactions as an interim measure pending full DLMS implementation.***

Code	Description	Definition/Segment/Code
		<i>goods and services. Authorized ship-to and bill-to</i>
	<i>Required: POC, TAC 1</i>	
	<i>Business Rules: No restrictions</i>	
	<i>DAAS DoDAAC authority code edit: no additional edit</i>	
01	Ship-To Only	<i>Can only be used as a ship-to address with no other implicit authority</i>
	<i>Required: POC, TAC 1 and either TAC 2 and/or TAC 4</i>	
	<i>Business Rules: Not authorized to requisition or bill-to</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes OB, BT, and BS, and may not be used in N901 with code TN</i>	
02	Finance (Bill-To Only)	<i>DoDAAC can only be used as a bill-to</i>
	<i>Required: POC, TAC 1, TAC 3. Note TAC 2 is not allowed.</i>	
	<i>Business Rules: Cannot requisition, cannot be used as a ship-to designation</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes OB, ST, Z7 and BS, and may not be used in N901 with code TN</i>	
03	Do Not Ship-To	<i>Cannot be used as a ship-to destination</i>
	<i>Required: POC, TAC 1</i>	
	<i>Restriction: TAC 2 and TAC 4 are not allowed</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC may not be used in N101 with codes ST, Z7 or BS</i>	
04	DRMS Only	<i>Defense Reutilization and Marketing Service (e.g., State agencies surplus). Used to identify activities who have no requisition authority other than for DRMS material</i>
	<i>Required: POC, TAC 1</i>	
	<i>Business Rules: Cannot requisition new material. Only authorized to obtain materials from DRMS (DoD excess only)</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC may only be used with P0105 code NC and N101 code Z4 is S9D</i>	
05	Non-Requisition	<i>Cannot initiate a purchase or request for goods and services</i>
	<i>Required: POC, TAC 1</i>	
	<i>Business Rules: Cannot initiate a request for any goods/services</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC cannot be used as N101 code OB or N901 code TN</i>	
06	Free Issue	<i>No cost option. This activity is restricted to items that are available without cost (e.g., DRMS, NGA Maps)</i>
	<i>Required: POC, TAC 1</i>	
	<i>Business Rules: Can not requisition/purchase any good/services. Similar DRMS, but can request free of cost items (e.g., maps from NGA)</i>	
	<i>DAAS DoDAAC authority code edit: DoDAAC may only be used with</i>	

<i>Code</i>	<i>Description</i>	<i>Definition/Segment/Code</i>
	<i>P0105 code NC</i>	
<i>07</i>	<i>Administrative</i>	<i>Administrative only. This code is used for information/identification purposes only (e.g., Defense Courier Service, or for future DoDAAC activation, such as in the case of DoDAACs reserved for contingencies (at which time a different authority code may be assigned.))</i>
	<i>Required: POC, TAC 1</i>	
	<i>Business Rules: Cannot requisition, cannot be used as a ship-to designation, and cannot be used for billing. Information/identification use only</i>	
	<i>DAAS DoDAAC authority code edit: Cannot be used with N101 codes OB, BT, BS, ST, or Z7 or in N901 code TN</i>	

Table C4.T4. Requisition Processing and Related Actions

CODE OR DATA ELEMENT

ENTRY IS BLANK OR INCORRECT

Routing Identifier

Determine correct source and continue processing.

Media and Status

Process as zero (0).

CODE OR DATA ELEMENT

ENTRY IS BLANK OR INCORRECT

Stock Number or Appropriate Item Identification

1. If blank, reject.
2. If incorrect, research to determine⁶ if the stock number has changed (for example, FSC changed to match the NIIN). As a result of the review, take action as follows:
 - a. If the stock number cannot be identified, reject with appropriate supply status.
 - b. If the FSC is incompatible with the NIIN, check the FSC to determine if it matches a previously assigned FSC. If it matched, change the FSC to the current FSC, continue supply action, and furnish appropriate supply status. If it does not match, reject with appropriate supply status.
 - c. If the stock number has changed (for example, FSC change), change the number to the new stock number and continue supply action. If the changed NSN is managed by another supply source, initiate a passing order and furnish appropriate supply status.
3. If manufacturer's part number, compare to FLIS to determine if a stock number is assigned. If assigned, change the manufacturer's part number to the stock number and continue supply action. If the NSN is managed by another supply source, initiate a passing order and furnish appropriate supply status.

Unit of Issue

Enter correct unit of issue or reject. If rejected, enter correct unit of issue in supply status transaction.⁷

Quantity

Reject.

Requisitioner⁸

Discard if entry is blank or incorrect. If the DODAAC fails the Authority Code edits in C4.8., then the transaction will be rejected with CX or D7 status as appropriate.

Date

Reject.

Serial

Reject.

Demand

Process as recurring.

⁶This edit does not apply to USN supply sources.

⁷ Requirement to provide correct unit of issue when original unit of issue on the requisition could not be converted last reported as not implemented by USN and DLA (Subsistence). Refer to AMCL 162.

⁸ Deferred implementation of Authority Code edits authorized pending supply source system modernization.

CODE OR DATA ELEMENT

ENTRY IS BLANK OR INCORRECT

Supplementary Address^{9, 10}

Reject (CX status) if blank or invalid and the signal code is B, J, K, L or M. If the DODAAC fails the Authority Code edits in C4.8.10, then the transaction will be rejected with CX or D7 status as appropriate.

Signal

Reject.

Fund

No edit is required unless signal code is C or L. Reject (CX status) if signal code is C or L and fund code does not identify a valid bill-to activity as prescribed by MILSBILLS.

Distribution

Process as blank.

Project

1. Process as blank.

2. If an OSD/JCS project code is entered, the requisition will be ranked above all other requisitions within the PD.¹¹

⁹ This data element is referred to as Supplemental Data under the DLMS.

^{10 10} Deferred implementation of Authority Code edits authorized pending supply source system modernization.

¹¹ Elimination of requirement to change the priority on CJCS project code requisitions last reported as not implemented by USAF, USMC, and DLA (Subsistence). Refer to AMCL 9.

CODE OR DATA ELEMENT

Priority Designator¹²

ENTRY IS BLANK OR INCORRECT

1. If Expedited Handling Signal 999 is present in the RDD field, requisition is for U.S. forces and the PD is not 01-03, enter PD 03 and furnish BK supply status.
2. If an OSD/JCS project code is present and the PD entry is not an existing PD code (not 01-15), enter PD 03 and furnish BK supply status.
3. If NMCS/ANMCS indicator (N/E) is present in and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status.
4. If special mass cancellation coding 555 is present and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status.
5. If Expedited Transportation Signal 777 is present and the PD entry is not an existing PD code (not 01-15), enter PD 08 and furnish BK supply status.
6. If required availability date A is present and the PD entry is not an existing PD code (not 01-15), enter PD 15.
7. If extended RDD (S or X) is present and PD is other than 09-15, enter PD 15, furnish BK supply status, and process.
8. If work stoppage indicator (F or R) is present and PD is not 01-08, enter PD 8, furnish BK supply status, and process.
9. For all other conditions, if PD is not 01-15, enter PD 15.

¹² See Footnote 11.

CODE OR DATA ELEMENT

Required Delivery Date^{13, 14}

ENTRY IS BLANK OR INCORRECT

1. If NMCS/ANMCS indicator (N/E) is present and PD is 01-08, process. If indicator N or E is present, but PD 09-15 is present, blank the RDD, furnish BK supply status and process using the priority. If there is an N or E, blank any remaining characters in the RDD and furnish BK supply status.
Exception: For Air Force requisitions, blank only numeric characters (01-99); do not blank special coding to fulfill an Air Force internal requirement for NMCS/MICAP justification. (Note: This eliminates short RDDs associated with NMCS/ANMCS and expressed as number of days from requisition date.)
2. If Expedited handling Signal 999 is present and requisition is not intended for U.S. forces, blank the expedited handling signal, furnish BK supply status, and process using the priority.¹⁵ If requisition is intended for U.S. forces, process.
3. If special mass cancellation coding 555 is present indicating continued processing during mass cancellation, process.
4. If Expedited Transportation Signal 777 is present and PD 01-08 is present, process. If the PD is 09-15, blank the expedited transportation signal, furnish BK supply status, and process using the priority.
5. If Co-Located Customer Handling Service Indicator 444 is present, process.
6. If RAD or extended RDD is A, S, or X, and remainder are not equal to 01-99, blank the total entry, furnish BK supply status, and process.
7. If work stoppage indicator (F or R) is present and remainder is not blank, blank the remainder, furnish BK supply status, and process. (Note: This eliminates short RDDs associated with work stoppage and expressed as number of days from requisition date.)
8. For subsistence, except for conditions above, all requisitions will contain a specific RDD in ordinal day of year format. If blank, compute an SDD.¹⁶
9. For all other conditions, blank RDD field if entry does not indicate a calendar date which falls no more than 100 days subsequent to the requisition date^{17,18}, furnish BK supply status, and process.

CODE OR DATA ELEMENT

Required Delivery Period
(Conventional Ammunition Only)¹⁹

Advice

ENTRY IS BLANK OR INCORRECT

If B, C, D, G, H, J, K, L, M, P, T, U, V, or W, and 01-99 is present,
process.

Process as blank.

C5. CHAPTER 5

STATUS REPORTING

C5.1. ASSET STATUS. This chapter prescribes procedures for the interchange of asset status information between the DoD Component wholesale and below wholesale distribution systems and owners/managers, and between DoD owners/managers and collaborative vendors.

C5.1.1. In Storage Assets

C5.1.1.1. Assets within the wholesale distribution system are reported in accordance with this volume. ***DS to Federal IC 846I, Asset Status transactions, may be used between DoD Components by mutual agreement. Transmit asset status transactions between DoD Components based on schedules established by mutual agreement.***

C5.1.1.2. Assets below the wholesale distribution system shall be reported when requested by the owner/manager. Use DS 846I, Asset Status Inquiry/Report ***transaction***, with the appropriate asset status code to request, change, or discontinue asset status reporting from the below wholesale distribution system.

C5.1.2. Supply Planning Vendor Collaboration. Vendor collaboration provides a means for the DLA ***Enterprise Business System (EBS)***¹ to provide vendors with planned buy requirement and for vendors to advise DoD of their ability to meet those requirements. DLA ***EBS*** may send DS ***846V transaction***, Supply Planning Inquiry/Advice, to vendors to determine if the vendor is able to supply desired items, in desired quantities, and in required timeframes. Vendors use DS 846V to advise of their ability to supply the requested item in accordance with DoD requirements. Information can be provided from 1-24 Supply Planning Advice periods outside of lead time without obligation by DLA or the Vendor.”

C5.2 SUPPLY AND SHIPMENT STATUS - GENERAL

C5.2.1. Status Data. Status data is either supply status or shipment status. Supply sources ***to include ICP/IMM and shipping activities*** prepare status transactions using the applicable transaction described under paragraphs C5.2.2. and C5.2.3., below. Status documents from supply sources are forwarded to DAAS for transmission to status recipients. Status data may be informational or require additional action by organizations based on the assigned status code. Status recipients include, but are not limited to, requisitioners, ***distribution depots***, control offices, and/or monitoring activities. For SA shipment status, the control office or monitoring activity receives the status from the supply source and provides it to the appropriate country

¹ ***Initially only implemented by the DLA EBS.***

status recipient. For FMS customers, the status goes to the Military Assistance Program Address Directory (MAPAD) Type of Assistance Code (TAC) 4 country status recipient. For MAP/GA customers, the status goes to the MAPAD TAC 3 country/in-country security assistance organization (SAO) status recipient.

C5.2.1.1. **Supply Status**. Supply status informs organizations of action taken or being taken on material requisitioned but not shipped, shipment consignment instructions, or disposition instructions for material offered under the Material Returns Program (MRP).

C5.2.1.2. **Shipment Status**. Shipment status informs organizations of the actual shipping dates (such as the date released to the carrier), the release criteria for shipments, or shipment delay notifications. It also provides for an interface with transportation and for shipment tracing by organizations under DoD 4500.9-M.

C5.2.2. **Types of Supply Status**

C5.2.2.1. **Supply Status**. Use DS **870S transaction**, Supply Status.

C5.2.2.1.1. **Response to Requisition**

C5.2.2.1.1.1. **Processing GFM**. Supply sources (or MCAs, processing GFM transactions), use the DS 870S with appropriate status codes to convey advice to organizations. It is used to convey notice of action taken or being taken on requisitions and requisition-related transactions; such as, retransmitted requisitions, cancellations, modifications, and requisition inquiries (follow-ups and/or requests for supply assistance). Organizations must identify additional status addressees in the original requisition and/or requisition-related transactions, as applicable. DAASC generates supply status in selected situations resulting from item identification edits but will indicate their DoDAAC as the MESSAGE FROM address in the supply status.

C5.2.2.1.1.2. **Reporting Status Decisions**. Supply sources or MCAs shall respond to requisition(s) to advise activities of action taken (as indicated), alone or in combination, to any of the requests listed below. This includes status upon processing a requisition inquiry (follow-up and request for supply assistance) or a cancellation request, and rejection status when rejecting transactions.

C5.2.2.1.1.2.1. Backorder.

C5.2.2.1.1.2.2. Partial issue or partial other action.

C5.2.2.1.1.2.3. Material substitution.

C5.2.2.1.1.2.4. Unit of issue changes.

C5.2.2.1.1.2.5. Retransmitted (rerouted) requisitions.

C5.2.2.1.1.2.6. Cancellation, modification, or inquiry.

C5.2.2.1.1.2.7. Any circumstance that predicts that issue may not be made within the timeframes established for the assigned priority designator (PD).

C5.2.2.1.2. Notice of Response to Direct Vendor Delivery (DVD).

Supply sources use the notice of response to DVD to advise organizations material is being supplied by DVD from procurement. The supply (procurement) source generates this notice for each requisition that is procured for DVD to a consignee. The DVD, DS 870S notice provides a cross-reference between the requisition transaction reference number and the contract information. Organizations may also use information in this notice to report nonreceipt of material using the appropriate discrepancy reporting process.

C5.2.2.1.3. Notice of Response to Supply Assistance. Supply sources use the notice of response to supply assistance to advise organizations of action taken to expedite the shipment of the requested material.

C5.2.2.1.4. *Material Processing Center (MPC) Supply Status*

C5.2.2.1.4.1. The MPC will provide Status Code NL to notify the Navy ship/customer that material has arrived at the MPC for sortition and temporary storage pending delivery to the customer.

C5.2.2.1.4.2. The MPC will provide Status Code NW to provide systematic notification material has been delivered from the MPC to the Navy ship/customer.

C5.2.2.2. Notice of Availability Reply. Use DS to Federal IC 870N, Notice of Availability Reply.

C5.2.2.2.1. Consignment. FMS country representatives (CRs)/freight forwarders (FFs) use DS 870N to provide shipment consignment instructions to shipping activities for material reported available for shipment.

C5.2.2.2.2. Response to NOA. The CR/FF uses DS 870N to respond to the key NOA specifying shipment consignment instructions, if any, and must coordinate these or other shipment or delivery instructions with the Surface Deployment and Distribution Command (SDDC) releasing authority. The CR/FF must indicate in DS 870N the date when separate shipment instructions, if required, were mailed.

C5.2.2.2.3. Shipment Release Instructions. Shipment release instructions must provide for shipment or delivery of material to a single destination by shipment unit. Shipping activities must not split shipment units identified by shipment unit numbers to accommodate shipments or deliveries to multiple points. Specify the need for coordinated instructions in instructions to the CRs/FFs regarding replies to NOAs when an export release is required and include provisions for the following minimum data in DS 870N:

C5.2.2.2.3.1. The complete name and address of the consignee except when the CR/FF will pick up the material.

C5.2.2.2.3.2. The date the material is to be shipped or the date when the CR/FF will pick up the material.

C5.2.2.2.3.3. The complete name and telephone number(s) of the individual(s) who will be available and authorized to receive on behalf of the purchasing country, for the specific classified shipment covered by the NOA advising of the availability of a classified shipment.

C5.2.2.2.4. Protection/Control Not Required. When shipment does not require an export release, or the shipping activity has determined there is no requirement for a high degree of protection or control and Country FMS Offer/Release Option Y is indicated for the material, release the shipment to the CR/FF on the 15th calendar day after the NOA date, unless alternate shipping instructions are received. When an export release is required, the shipment must be held pending receipt of releasing and shipping instructions from the SDDC releasing authority, and if such instructions are not received within 15 calendar days after the NOA date, follow up only to SDDC instead of transmitting a duplicate NOA.

C5.2.2.2.5. Protection/Control Required. When the shipping activity determines a need for a high degree of protection/control or Country FMS Offer/Release Option Z is indicated for the material, the shipment must be held pending receipt of releasing and shipping instructions from the CR/FF. If such instructions are not received within 15 calendar days after the NOA date, send a duplicate NOA to the designated notice recipient, with the same shipment unit number assigned. This duplicate NOA indicates the shipment delay is caused by the CR/FF's failure to send releasing and shipping instructions.

C5.2.2.3. Material Returns Supply Status. Organizations and supply sources use DS to Federal IC 870M, Material Return Supply Status, to convey advice to one another as notice of action taken or being taken on Offer of Material Reports (OMRs) and OMR-related transactions. Use DS 870M to send status to the ICPs/integrated managers (IMMs). The ICPs/IMMs use DS 870M to provide status or disposition instructions for material to organizations, including disposition instructions related to discrepant material reported under Chapter 17. Use Chapter 11 to determine the processing procedures for and the prescribed usage of this status.

C5.2.2.3.1. Unsolicited Report. Customer organizations use the unsolicited report to provide status to the supply source on open OMRs for unshipped material.

C5.2.2.3.2. Response to Material Returns. Supply sources use DS 870M to provide informational status or disposition instructions to organizations for material reported under the MRP.

C5.2.3. Types of Shipment Status

C5.2.3.1. ***Preparation of Shipment Status.*** *Shipment status shall be provided by the shipping activity or the source of supply for direct vendor delivery (contractor direct) or in response to a requisition follow-up. The Consolidation and Containerization Point (CCP) may also provide shipment status for the purpose of identifying passive RFID.² Under DLMS, the shipment status will include enhanced data content and support item unique identification (IUID) and intransit visibility requirements as directed under DoD policy/procedures (DoD 4140.1-R), when available and pending full DLMS implementation/modernization.³ Shipment status shall be provided by the DoD shipping activity, the CCP, or by the supply source⁴ using DS 856S. Maintenance activities (organic and commercial) shall provide shipment notification to the receiving activity and other interested parties when material is shipped to the distribution depot, DRMO, or other designated receiving activity per source of supply/inventory control point guidance. This may be accomplished using either the DLMS Shipment Status, DS 856S, or the DLMS Advance Shipment Notice (ASN), DS 856, provided via Wide Area Work Flow-Receipt and Acceptance (WAWF-RA).⁵ The DLMS Shipment Status shall include asset visibility content, such as IUID, and intransit visibility requirements, such as passive RFID and the transportation control number as directed under DoD policy/procedures (DoD 4140.1-R). DLMS enhancements include, but are not limited to the following:*

C5.2.3.1.1. ***Passive RFID for the shipment unit/case/pallet associated at the requisition document number level. The shipment status transaction may identify a hierarchy to clarify the relationship of passive tags within different shipment levels.***

C5.2.3.1.2. ***For Unique Item Tracking (UIT) purposes, the IUID and/or serial number. Serial number without applicable IUID may only be used during MILS/DLMS transition and pending implementation of IUID capability. Additional UID information as identified in the DS 856S is optional. Refer to Chapter 19 for UIT guidance.***

² Refer to ADC 257, *DLMS Shipment Status Generated by the Consolidation and Containerization Point (CCP)*

³ DoD 4140.1-R guidance for passive RFID and IUID requirements is pending publication as of the date of this change. Interim guidance is available at <http://www.acq.osd.mil/log/rfid/index.htm> (RFID) and <http://www.acq.osd.mil/dpap/pdi/uid/index.html> (IUID).

⁴ Direct vendor delivery shipment status using the 856S includes shipment status prepared by the DLA-sponsored Defense Planning and Management System (DPMS) application.

⁵ Business rules for use of the 856 for GFM or Property Transfer, including internal DoD transfers, are evolving. Refer to the Defense Procurement and Acquisition policy for UID available at url; <http://www.acq.osd.mil/dpap/pdi/uid/index.html>. Specific applicability and interoperability issues to be resolved by the UID Program Office and DUSD(L&MR)SCI.

C5.2.3.1.3. Both the TCN and a secondary transportation number, such as the small package carrier number, when this is applicable.⁶

C5.2.3.1.4. Identification of the carrier when other than United States Postal Service (USPS) by name and Standard Carrier Alpha Code (SCAC).⁷

C5.2.3.1.5. Identification of the initial DoD shipping activity (origin) by DoDAAC.⁸

C5.2.3.1.6. For OCONUS shipments made via the DTS, GBL/CBL, parcel post, and small package carrier shipments, specific identification of the POE or CCP. The shipment status shall specify air terminal, water terminal, or CCP by applicable qualifier code in the DS. (During MILS/DLMS transition, DAAS may substitute a generic terminal qualifier for shipment status transactions converted from MILS where the type of facility is unknown.)⁹

C5.2.3.1.7. Under DLMS, the shipment status shall perpetuate data content as applicable: project code, the special requirements code (MILS RDD coded entries, e.g. 999), and priority designator.¹⁰

C5.2.3.1.8. The transportation priority shall be included in all shipment status transactions as derived under DoD 4140.1-R guidance or other pertinent criteria.¹¹

C5.2.3.1.9. The shipment status may include the unit price (required for Distribution Standard System (DSS)-generated shipment status; otherwise optional).¹²

C5.2.3.2. Shipment Status from the CCP.¹³

C5.2.3.2.1. Preparation of the CCP Shipment Status

C5.2.3.2.1.1. The CCP shipment status will be identified by a unique code in the transaction.

⁶ Refer to ADC 223, *DLMS Shipment Status Enhancements: Secondary Transportation Number, Initial Shipping Activity, Carrier Identification, and POE*, approved for phased and staggered implementation.

⁷ Refer to Footnote 6.

⁸ Refer to Footnote 6.

⁹ Refer to Footnote 6.

¹⁰ Refer to ADC 242, *Shipment Status DS 856S: Priority Designator (PD), Transportation Priority, Project Code, Special Requirements Code*, approved for phased and staggered implementation.

¹¹ Refer to Footnote 6.

¹² Refer to proposed addendum to ADC 242A, *Inclusion of Unit Price on DLMS Shipment Status (DS 856S)*.

¹³ Refer to Footnote 2.

C5.2.3.2.1.2. The ship-to-activity will be explicitly identified in the transaction.

C5.2.3.2.1.3. The CCP shipment status will carry the lead TCN which may differ from that on the original shipment status.

C5.2.3.2.1.4. When applicable, the transaction will contain multiple passive RFID tag values using a hierarchical structure. The original passive RFID will be repeated when it is available. Any additional tag values available to the CCP will also be provided.

C5.2.3.2.1.5. The shipment date identified will be the CCP shipment date.

C5.2.3.2.1.6. The mode of shipment will be the mode shipped by the CCP.

C5.2.3.2.1.7. Shipment status information content will be repeated from the original shipment status when this information is available to the CCP, e.g., when the original shipper was a co-located distribution depot. Where the CCP does not have access to the original shipment status information, the original data content will not be perpetuated and applicable data fields will not be populated.

C5.2.3.2.2. DAAS Distribution of CCP Shipment Status. DAAS will route the CCP shipment status to the ship-to activity. Standard DAAS business rules for distribution of the shipment status to status recipients will not apply. In addition, DAAS will not distribute the CCP shipment status to Distribution Depot ship-to locations or Material Processing Center (MPC) locations supported by DSS.

C5.2.3.2.3. Use of the CCP Shipment Status by the Receiving Activity. The value of this transaction to the receiving activity is to support passive RFID-enabled receipt processing. DLMS applications not supporting passive RFID may disregard this status or choose to append the CCP mode of shipment and the CCP shipment date. New content on the CCP shipment status should not be viewed as replacement values for a previously received shipment status matching on document number/suffix. Since there may not be a match on the previously identified TCN, the CCP shipment status information must be handled in a way that does not impact quantity due or visibility of partial shipments which may not have been consolidated within the reconfigured shipment.

C5.2.3.2.4. Reject – Duplicate Shipment. When a country replies to an 856N using a DS 870N and rejects the shipment because the shipment unit contains material that constitutes a duplicate shipment, the U.S. shipping organization must withdraw the rejected material from the shipment and prepare a new DS 856N.

C5.2.3.2.5. Delayed. Use DS 870N to indicate that all of the referenced shipments are delayed.

C5.2.3.2.6. Export Release Not Required. Use DS 870N to indicate that all referenced shipments do not require export release instructions.

C5.2.3.2.7. Export Release Required. Use DS 870N to indicate that all referenced shipments require export release instructions.

C5.2.3.3. Shipment Status Material Returns. Use the DS to the Federal IC 856R, Shipment Status Material Returns, to prepare a shipment status and promptly submit to the ICP/IMM after material directed for return is released to the carrier. Refer to Chapter 11 for material returns program procedures. The shipment status for material returns shall include the transportation control number, shipment date, mode of shipment, and quantity shipped. It shall perpetuate data content from the automatic return notification (DS 180M) or the ICP/IMM reply to the customer's asset report and shipping information (870M), as applicable, per guidance in the DS. The DLMS shipment status shall include asset visibility content and intransit visibility requirements as directed under DoD policy/procedures (DoD 4140.1-R). DLMS enhancements include, but are not limited to, the following:

C5.2.3.3.1. Passive RFID for the shipment unit/case/pallet associated at the document number level. The shipment status transaction may identify a hierarchy to clarify the relationship of passive tags within different shipment levels.

C5.2.3.3.2. For UIT purposes, the IUID and/or serial number. Serial number without applicable IUID may be used during MILS/DLMS transition and pending implementation of IUID capability. Refer to Chapter 19 for UIT guidance.

C5.2.3.3.3. Both the TCN and a secondary transportation number, such as the small package carrier number, when this is applicable.

C5.2.3.3.4. Identification of the carrier, when other than USPS, by SCAC.

C5.2.3.3.5. Specific identification of all parties associated with the material return. This includes the party to receive credit when different from the document number DoDAAC (previously carried in the MILS Supplemental Address field) and all parties to receive status. Transition to use of specifically identified parties will facilitate full DLMS implementation which identification of multiple different activities (e.g. submitter, ship-from, credit-to, status-to). Prior coordination for this DLMS enhanced capability is required.

C5.2.4. Requesting Status

C5.2.4.1. Purpose. Use DS to Federal IC 511R, Requisition, to request status on a previously submitted requisition.

C5.2.4.2. Organizations Receiving Status. To ensure supply sources automatically provide status data to all organizations required to receive supply and/or shipment status, identify all additional organizations to receive status in the initial requisition or in requisition related transactions. To obtain status on previously submitted requisitions or cancellation requests, activities may submit follow ups.

C5.2.4.3. Reports. The DoD Components shall submit reports when requisition status reporting is required to designate status of a project. Obtain special reports, when required, from an eligible recipient of status identified in requisitions. Special reports are not required from the inter-DoD Component supply sources.

C5.2.4.4. Status Code CA. When Status Code CA is received in response to a follow-up request and no record of the previous Status Code CA and the reasons for rejection can be located, authorized status recipients may inquire off line, such as via mail, message, or telephone, to the supply source to obtain reasons for rejection.

C5.2.5. Status Recording. Organizations must promptly record all status information received (automatically and/or in response to requisition inquiries) to applicable due-in records and/or requisition history (status) files, and, in the case of the Defense Reutilization and Marketing Service (DRMS), the disposal suspense file. Status recipients shall use supply status data to establish or update the due-in record to monitor for material receipts under Chapter 13. In addition, status recipients must:

C5.2.5.1. Give particular attention to the supply status transaction date to ensure that records/files are updated in the proper chronological order/date sequence.

C5.2.5.2. Review DS 870S received for any additional action required by the status code. If a requisition has been rejected with a rejection status code, and the material is still required, submit the requirement as a new requisition with a new transaction reference number and a current transaction date.

C5.2.5.3. Treat shipment status received as notice shipment has been made and that additional follow up shall only result in receipt of another shipment status document.

C5.2.5.4. Anticipate receipt of material within prescribed UMMIPS timeframe for the assigned PD, or the RDD cited in the requisition, upon receipt of supply status without an ESD.

C5.2.5.5. Evaluate status already received prior to submitting requisition inquires to follow up for additional status.

C5.2.5.6. Ensure appropriate status is sent to other activities requiring status when the only status recipient is the activity identified by a distribution code.

C5.2.6. Sending Status - General

C5.2.6.1. Requirements. Supply sources must automatically send DS 870S when processing requisitions, redistribution orders (RDOs), cancellations, modifications, and requisition inquiries (follow-ups and requests for supply assistance). MCAs must send reject status for requisitions they process. Supply sources must maintain and send current supply status as provided below. For these purposes, MCAs and supply sources must maintain accessible requisition history records for a minimum of 6 months after completing a shipment of material or canceling a requisition, to provide for timely status responses. MCAs must maintain requisition history records until contract termination.

C5.2.6.2. Associated Transaction Status. Supply source initiated requisition status includes all status transactions (supply and shipment) generated during supply source processing that are not produced in response to requisition inquiries or cancellation requests.

C5.2.6.3. Normal Requisitioning Processing. Supply sources must provide supply status based on normal requisition processing, including additional supply status due to changes in requisition processing, such as, cancellation actions, modifications, item substitutions, DVD actions, changes in ESDs (when retransmitting requisitions to another supply source), and requisition inquiries (follow-ups and requests for supply assistance). In addition, supply sources must send:

C5.2.6.3.1. DS 870S with Status Code BB (citing the scheduled ESD for release of material from stock to the customer) when backordering a requisition against a due-in to stock. The supply source must always send additional Status Code BB to organizations with a revised ESD when adjusting shipping dates.

C5.2.6.3.2. DS 870S with Status Code BZ with an ESD after deciding to process the requirement as a DVD shipment. Supply sources must give Status Code BV after effecting contracts or procurement actions and establishing an agreed to contract shipping date. Status Code BV must contain contract shipping date and also the contract data that provides organizations with a cross-reference to the original requisition.

C5.2.6.3.3. DS 870S with additional Status Code BV with a revised ESD to organizations when adjusting contract shipping dates on items scheduled for DVD.

C5.2.6.4. Manual Requests. The supply source may reject a requisition, or initiate a manual off-line request to obtain additional information, when the requisition contains insufficient information to continue processing. Use the STATUS TO organization identified in the requisition as the action addressee on all requests for additional information. Treat other organizations identified in the requisition, not designated as STATUS TO organizations, as information addressees on requests for additional information. When an inquiry for additional information is made, the supply source shall send DS 870S with Status Code BD, to all designated STATUS TO

organizations. Supply sources must suspend further action on requisitions awaiting additional information until a response is received or until 30 calendar days from date of inquiry, whichever occurs first. Upon receipt of requested information, the supply source shall continue normal processing. If the organization does not provide needed information within 30 calendar days, the supply source shall reject the requisition DS 870S with Status Code D3.

C5.2.6.5. **Status Frequency.** For each reinstated requisition, retransmitted (rerouted) requisition, requisition modifier, and MRO processed, supply sources must automatically send supply and/or shipment status, as appropriate.

C5.2.6.5.1. **Shipment Status to DAAS.** Supply sources shall transmit shipment status to DAAS for all supply source requisitions to include DS 856S for all DVDs, as required. Upon receipt of shipment status, DAAS shall convert the shipment status to the appropriate **type of status** and make **distribution**. Except for cancellation and rejections, DAAS shall send **status to designated status recipients as identified by a significant media and status code (DoD or Component level), a significant distribution code, (<https://www.dla.mil/j-6/dlmso/eApplications/Logdrms/logview/LQVSearch.asp>) and to any activity identified by DoDAAC as a party to receive status**. Supply sources shall give shipment status for exception ship-to addresses.

C5.2.6.5.1.1 DAAS will also provide a copy of shipment status for material to be delivered to Navy ships to the applicable MPC operated by the Defense Distribution Center (DDC) at the co-located Distribution Depot (DD) receiving site. In order to accomplish this, DAAS will maintain a table of Navy ships DoDAACs associated with a DD which provides MPC support to the specified Navy ship. The DDC, in coordination with the Navy, will provide Navy ship updates to DAAS as needed. When DAAS processes the 856S/AS8 and the ship-to DoDAAC begins with N, R, or V, DAAS will match the ship-to DoDAAC to the Navy ships/MPC table. When an appropriate DD/MPC is identified, DS 856S will be forwarded to the Distribution Standard System for establishment of a due-in record at the applicable MPC.

C5.2.6.5.1.2. MPCs which will receive shipment status are located at the DD locations identified in Table C5.T1.

Table C5.T1. Distribution Depots and Co-Located Material Processing Centers

DD with co-located MPC	DD DoDAAC	MPC Routing Identifier
DD Norfolk	SW3117	PSJ
DD Jacksonville	SW3122	PSU
DD San Diego	SW3218	PSK

DD Puget	SW3216	PSN
DD Yokosuka	SW3142	PSL
DD Sasebo	SW3143	PSM
DD Guam	SW3147	SCN
DD Pearl Harbor	SW3144	PSY
DD SIGONELLA	SW3179	SNH
DD BAHRAIN (Pilot 10 Mar 2008 thru 16 May 2008)	SW3183	SNN

C5.2.6.5.1.3. The MPC will use the supplemental address, project code, special requirements code, and transportation priority or priority designator from the due-in record or the shipment documentation to sort material for delivery per the Navy customer direction.

C5.2.6.5.2. Status of Unconfirmed Materiel Release Orders. Supply sources must send DS 856S transactions to DAAS in accordance with subparagraph C5.2.6.5.1., above. DAAS shall send this status to the ship-to activity. If DAAS cannot determine the ship-to activity, DAAS shall return the transaction to the ICP for handling. DAAS shall route the pseudo shipment status transaction for SA requisitions to the applicable DoD Component ILCO.

C5.2.6.6. Turn-In Document Status. For each shipment on a defense turn-in document (DTID), the shipping activity must provide a DS to Federal IC 945A, Material Release Advice, or a DS 856S with appropriate in-transit control coding as specified under Chapter 16 for material being shipped to the DRMS. If pricing information is not available, enter an estimated unit price.

C5.2.6.7. Requisition/Reinstatement for Backorder. When a requisition or reinstatement of a requisition is to be backordered against due-in to stock, supply sources must furnish exception supply status. Supply sources shall send Status Code BB and the ESD for release of material from stock to the customer. Supply sources shall send Status Code BB to the customer with the revised ESD when shipping dates are adjusted.

C5.2.6.8. Exception Status. Supply sources must send DS 870S exception supply status when the intent to process for DVD is known. This exception status shall contain Status Code BZ and the ESD. When contracts or procurement actions have

been effected and an agreed to contract shipping date is established, supply sources shall send additional Status Code BV indicating the contract shipping date.

C5.2.6.9. Contract Shipping Date Adjustment. When contract shipping dates are adjusted on items scheduled for DVD, the supply source shall provide DS 870S with Status Code BV to indicate the revised shipping date. Supply sources use the DVD notice DS 870S to notify organizations of material being supplied by DVD. This notice provides a cross-reference between transaction reference number and contract data. When delivery dates are established for DVD shipments, the supply source must provide the DVD notice in addition to supply status.

C5.2.6.10. Mandatory Status Reporting. The use of supply and shipment status is mandatory for all supply source initiated requisition status. Supply source initiated requisition status includes all status generated during supply source processing not produced in response to follow-ups or cancellation requests. Use of supply and shipment status in response to cancellation requests is optional when supply status distribution rules require multiple recipients of status. Upon receipt of DS 856S, DAAS shall convert the request to the appropriate response transactions and make distribution to all eligible status recipients.

C5.2.6.11. Preparation of Status

C5.2.6.11.1. Late Delivery. All supply status transactions, indicating material will be released for shipment later than the SDD or RDD/RDP, must contain an ESD. Such supply status is applicable to material obligations including procurement for DVD. Conversely, the supply source shall reject requisitions that contain Advice Code 2C, 2J, 2T, or 2W with Status Code CB when items are not available for immediate release or cannot be supplied by the SDD/RDD/RDP with a DS 870S.

C5.2.6.11.2. Estimated Shipment. ESDs are also mandatory entries for those transactions reporting adjusted ESDs and any circumstance that predicts that issue may not be made within the timeframes established for the PD. Storage facilities in receipt of requisition inquiries on requirements that are in the process of being filled, shall use supply status to provide ESDs to the requesting supply source. Status transactions providing advice of such events as changes in stock numbers, unit of issue changes, rejections, and shipments must not contain an ESD.

C5.2.6.11.3. Rejecting Requisitions. Supply sources must use DS 870S with status codes in the C and D series when rejecting requisitions and RDOs.

C5.2.6.11.4. Processing Point Response. Processing points provide DS 856S in response to receipt of DS 869F, Requisition Follow-up, containing the DoDAAC of the initial (origin) transportation activity. If the processing point is unable to provide the DoDAAC information to the requesting activity, the follow-up transaction shall be rejected with Status Code DY.

C5.2.6.11.5. Requisition Inquiry. Status furnished by DS 870S in response to a DS to Federal IC 869A, Requisition Inquiry, must contain the most current

information available regarding the status of the requisition. Supply status in response to a requisition inquiry must contain a changed/new ESD, when applicable, and a transaction date that corresponds to the date of the reply. DS 856S in response to a requisition inquiry must contain the shipping data for the material shipped.

C5.2.6.11.6. Narrative Explanation. Status Code CA and TD are the only status conditions to which the supply source shall provide a narrative explanation (in a free-form format) identifying the reason for rejection.

C5.2.6.11.7. Abbreviated Messages. The DoD Components may opt to use abbreviated status to activities.

C5.2.6.11.8. Cancellation Request. DS 870S with Status Code BF sent in response to cancellation requests, with a transaction reference number not matching supply source records, prevent supply source processing of later transactions for this same transaction reference number. When providing Status Code BF in response to a cancellation request, also provide Status Code BF in response to all other transactions received containing the same transaction reference number. Supply sources retain accessible history records of Status Code BF generated from processing no-record cancellation requests for a minimum of 6 months following the generation of Status Code BF.

C5.2.6.11.9. Material Returns Status. Use Chapter 11 procedures for providing material returns supply status (MRSS) transactions resulting from processing OMRs and OMR-related transactions.

C5.2.6.11.10. Free Issue. Requisitions which fail free issue validation shall be rejected with Status Code CM; a new funded requisition may be submitted if the material is still required. Requisitions which fail free issue validation after material release (post-post requisitions/issue) may be handled as funded requirements. In this case, the SOS shall furnish Status Code DT alerting eligible status recipients that the postpost requirement is not authorized for free issue and to adjust fund obligation records as material will be billed to the requisitioner.

C5.2.6.11.10.1. Where a post-post requisition contains a free issue Signal Code D or M and free issue is not authorized, the signal code shall be modified to the applicable billable signal code. Where the original requisition identified a valid fund code it will be used for billing; otherwise, the fund code shall be modified to indicate non-interfund billing (Fund Code XP):

C5.2.6.11.10.1.1. Signal Code D is replaced with Signal Code A to show the correct shipping activity. (Both D and A ship-to the requisitioner as identified in the document number of original submission.)

C5.2.6.11.10.1.2. Signal Code M is replaced with Signal Code J to show the correct shipping activity. (Both M and J ship-to supplementary address identified in the original submission.)

C5.2.6.11.10.2. Since post-post orders are already shipped and cannot be split, if part of the quantity ordered is not eligible for free issue, the entire order shall be denied free issue.

C5.2.6.12. Time Standards for Providing Status Transactions. When required, supply sources shall dispatch applicable status on requisitions, retransmitted requisitions, reinstated requisitions, and responses to requisition inquiries within the times prescribed below:

C5.2.6.12.1. Supply Status

C5.2.6.12.1.1. Two calendar days from receipt of PD 01-08 transactions.

C5.2.6.12.1.2.. Five calendar days from receipt of PD 09-15 transactions.

C5.2.6.12.1.3. Twenty-four hours after release of MOV requests.

C5.2.6.12.2. Shipment Status

C5.2.6.12.2.1. Twenty-four hours after shipment (or release to carrier) for PD 01-03 transactions.

C5.2.6.12.2.2. Forty-eight hours after shipment for PD 04-08 transactions.

C5.2.6.1.2.2.3. Three working days after shipment for PD 09-15 transactions.

C5.2.6.12.2.4. Twenty-four hours from receipt of PD 01-03 requisition inquiries.

C5.2.6.12.2.5. Forty-eight hours from receipt of PD 04-08 requisition inquiries.

C5.2.6.12.2.6. Three working days from receipt of PD 09-15 requisition inquiries.

C5.2.7. Distribution of Status

C5.2.7.1. Requisition Cancellations. Supply sources must automatically send supply and/or shipment status in response to requisition cancellations, including mass and universal cancellations. In addition to status sent to organizations, DAASC shall

send shipment status to storage/procurement activities and/or the supply source (when DVD actions with Status Code BV are applicable) on all affected shipments entering the DTS during mass or universal cancellation situations. Supply sources must send the status of cancellation actions within 5 calendar days of receipt of the requisition cancellations. Supply sources must revise this status as further actions are taken on the cancellation request.

C5.2.7.2. Procedures. Supply sources must address supply and shipment status sent in response to requisition cancellations as follows:

C5.2.7.2.1. When there is no record of the requisition cancellation, address the status transaction to the requisitioner.

C5.2.7.2.2. When there is a record of the requisition cancellation, address the status transaction to the organization(s) identified in the cancellation request, including any additional status organizations.

C5.3. LOGISTICS ASSET SUPPORT ESTIMATE

C5.3.1. General. This section prescribes a standard procedure for authorized activities of the DoD Components to determine the ability of the IMMs to support contingency or operational plans, projects, and other important programs. This program is not intended for routine supply status inquiries as described above. Rather, this program is to get a general estimate of the type of supply support that might be anticipated when a specific requisition is not pertinent to the inquiry. Personnel responsible for scheduling, planning, or reporting on the overall supply support status of major equipment or systems, shall initiate LASE inquiries in conjunction with particular programs or projects.

C5.3.2. Applicability. The provisions of this section are applicable to DLA, Defense Supply Centers (DSCs) except the Defense Fuel Supply Center, Component ICPs functioning as IMMs, and authorized wholesale and below wholesale activities of the Army, Navy, Air Force, Marine Corps, and Coast Guard.

C5.3.3. Effecting LASE. Use DS to Federal IC 846L, Logistics Asset Support, to effect LASE procedures as follows:

C5.3.3.1. Forecasting activities use to send LASE inquiries to IMMs.

C5.3.3.2. IMMs use to respond to the forecasting activity inquiry.

C5.3.4. Asset Support Inquiries

C5.3.4.1. Authorized Activities. Only the authorized activities listed in paragraph C5.3.9 may submit LASE inquiries to IMMs. IMMs will validate the DoDAAC of incoming requests and reject those with invalid or unauthorized entries as prescribed in paragraph C5.3.8.

C5.3.4.2. Data Requirement Determination. Authorized activities shall determine the type of logistic data required and shall send LASE inquiries using DS 846L citing the request code applicable to the type of asset information required. The request code shall determine if asset data will be for issuable on-hand and due-in assets, backorder, or both asset and backorder availability.

C5.3.5. IMM Asset Support Response. IMM shall do the following in response to LASE inquiries:

C5.3.5.1. Prepare LASE responses using DS 846L containing the data specified by the submitting activity.

C5.3.5.2. Normally respond to LASE inquiries within 5 working days after receipt and, in all instances, must respond within 10 working days.

C5.3.5.3. When receiving a LASE inquiry on a non-preference item, the IMM may provide data for the replacing preferred item. When this option is exercised, the LASE response will cite the replacing preferred item.

C5.3.5.4. Use data contained in each LASE response for review and control. IMM shall retain this data for at least 90 calendar days and then destroyed.

C5.3.5.5. Reject LASE inquiries when necessary in accordance with paragraph C5.3.8.

C5.3.6. Nonresponse to LASE Inquiries. When the authorized activity has not received a response to LASE inquiry within 15 calendar days from the submission date, the authorized activity may send a follow-up LASE inquiry through DAAS to the appropriate IMM, in accordance with subparagraph C5.3.4.2.

C5.3.7. DAAS Processing. DAAS shall pass or route LASE inquiries as follows:

C5.3.7.1. If the inquiry is directed to the correct SOS, DAAS shall pass the transaction to that activity.

C5.3.7.2. If the inquiry is directed to an incorrect SOS, and the correct SOS is not GSA, DAAS shall reroute the transaction to the correct SOS and send a DS 870L to the submitter citing Status Code BM. Recipients of Status Code BM shall update their records to show the correct SOS.

C5.3.7.3. If the inquiry is directed to a correct GSA SOS, or to an incorrect SOS, but GSA is the correct SOS, DAAS shall reject the transaction to the submitter using DS 824R with Reject Advice Code AX

C5.3.8. IMM Validation and Rejection. IMM shall reject or provide status for LASE inquiries citing the appropriate reject or status code as follows:

C5.3.8.1. Transmit a DS 824R for LASE inquiries submitted by DoDAACs not authorized in paragraph C5.3.9 citing Reject Advice Code AV.

C5.3.8.2. Transmit a DS 824R for LASE inquiries received for an obsolete/inactive NSN that the IMM cannot support citing Status Code CJ.

C5.3.8.3. Transmit a DS 824R for LASE inquiries received for an item that is not centrally managed and stocked citing Reject Advice Code AU.

C5.3.8.4. FSC/NIIN Compatibility. When the IMM receives a LASE inquiry with an incompatible FSC and NIIN, the IMM will research to determine if the FSC matches a previously assigned FSC for the NIIN and take action as follows:

C5.3.8.4.1. Matching FSC. If the FSC matches, change the FSC to the correct FSC, continue processing the inquiry, and send the submitter a DS 870L citing Status Code BG. Recipients of Status Code BG shall update their records to show the correct FSC.

C5.3.8.4.2. Unmatched FSC. If the FSC does not match, reject the inquiry to the submitter using DS 824R citing Status Code CG.

C5.3.9. Activities Authorized to Submit Asset Support Requests¹⁴

Table **C5.72**. Activities Authorized to Submit Asset Support Requests

ARMY			
Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>
W15GK8	W23MWR	W45G18	W67G22
W15P61	W23RYX	W45N7V	W73HYT
W15P62	W25G1Q	W52G2J	W80KQR
W15P66	W25GIV	W52H09	W80KTY
W15P7U	W25LMQ	W56HZV	W80SLL
W15P86	W25PO2	W56KXS	W80YBO
W15QPC	W25PVR	W58HZ1	W80YBX
W16G1A	W31G1Y	W58HOZ	W80YBY
W22G1F	W31G3H	W62G2W	WK4NP7

¹⁴**The DoD Component** Supply PRC representatives are responsible for ensuring information listed is kept current by sending changes to the Supply PRC Chair as they occur.

W22L11

NAVY

N00019	N00102	N00164	N00207
N00023	N00104	N00181	N00221
N00024	N00109	N00189	N00228
N00025	N00146	N00191	N00244
N00030	N00151	N00197	N00249
N00039	N00163	N00204	N00251
N00253	N00612	N65584	N65923
N00311	N0708A	N65885	N68860
N00367	N60258	N65886	V53825
N00383	N60478	N65887	V57016
N00406	N60701	N65888	
N00446	N65580	N65889	

AIR FORCE

Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>	Authorized Activity <u>DoDAAC</u>
FA2303	FA4826	FB2039	FB7000
FA2833	FA5000	FB2049	FD2020
FA2500	FA5260	FB2059	FD2030
FA2812	FA5612	FB2065	FD2040
FA3012	FA6600	FB2180	FD2050
FA3115	FA7037	FB2300	FD2060
FA3300	FB2006	FB2373	FD2388
FA4413	FB2008	FB5270	
FA4502	FB2029	FB6251	

MARINE CORPS

M93728	MMC100	MMR100	R57081
M98820	MML100	R57079	V57080

DEFENSE LOGISTICS AGENCY

SC0100	SC0400	SC0700	SL4703
SC0200	SC0500	SC0900	
	COAST GUARD		
ZZ0001	ZZ0002	ZZ0003	

C6. CHAPTER 6

PHYSICAL INVENTORY CONTROL

C6.1. GENERAL. This chapter provides procedures, performance objectives, and reporting requirements for maintaining accurate records of the physical inventory, conducting physical inventory counts, and reconciling record variance for material within the supply system of the Department of Defense.

C6.1.1. Applicability. Basic elements of the physical inventory program prescribed by this chapter apply to the DoD Components, and establish:

C6.1.1.1. Uniform procedures on existing DoD policy, for maintaining accurate records, conducting physical inventories and location surveys/reconciliations, researching inventory discrepancies and causes for adjustments, performance assessment, and for quality control of work processes prescribed by the DoD Physical Inventory Control Program (PICP).

C6.1.1.2. Management control of all DoD wholesale supply system material to include:

C6.1.1.2.1. Principal items.

C6.1.1.2.2. Packaged petroleum, oil, and lubricants.

C6.1.1.2.3. Secondary items regardless of whether assets are purchased with stock fund or procurement appropriations.

C6.1.1.2.4. Ammunition.

C6.1.1.2.5. Forms and publications.

C6.1.1.2.6. Subsistence.

C6.1.1.3. Management data and performance standards necessary to measure the effectiveness of physical inventory control in the DoD supply system.

C6.1.2. Exclusions

C6.1.2.1. These procedures are not applicable to bulk petroleum; complete ships, aircraft, ballistic missiles, nuclear weapons, space vehicles; assets located at contractor-owned and/or contractor-operated facilities that are not maintained on the DoD wholesale property accountability records; Industrial Plant Equipment reportable to the Defense Distribution Depot Richmond Virginia (DDRV); National Security Agency (NSA)/Central Security Service assets; and National Defense Stock Pile assets. Loaned

material and material in-transit shall be accounted for in accordance with Chapter 13 and the DoD Component procedures.

C6.1.2.2. Physical inventory control procedures for bulk petroleum are contained in DoD 4140.25-M.

C6.1.2.3. Nuclear weapons for which DoD has custodial responsibility are inventoried in accordance with The Chairman of the Joint Chiefs of Staff Publication 6, Volume II, Joint Reports; part 4, Nuclear Weapons Reports; section 5, Stockpile Inventories and Inventory Reports.

C6.2. POLICY. DoD policy is contained in [DoD 4140.1-R](#).

C6.2.1. Purpose. The purpose of the DoD physical inventory control process is to:

C6.2.1.1. Ensure material accountability is properly executed within the Department of Defense.

C6.2.1.2. Ensure accurate property accountability records for the physical inventory are maintained in support of customer requirements and readiness by performing physical inventories and location surveys/reconciliations;

C6.2.1.3. Identify and help resolve problems in supply system work processes affecting property accountability records by performing quality control of the work processes; and

C6.2.1.4. Identify repetitive processing errors and maintain accurate records for supply system transactions generated within the supply system by researching and reconciling property accountability record imbalances and potential discrepancies.

C6.2.2. Philosophy

C6.2.2.1. The dynamic nature of the physical inventory control function and the cost of counting and reconciling records require that the approach be more selective than the "100 percent wall-to-wall total item count" concept. Available inventory resources must be directed towards those potential and actual discrepancies, controlled inventory items, and weapon system critical items for which maximum returns will be derived from resources applied.

C6.2.2.2. A fundamental requirement of inventory integrity is to implement the technical capability that provides for the total item property record that includes a single shared asset balance maintained by the storage activity.

C6.2.3. Material Security. Security of material is the first line of defense for physical inventory control; therefore, the DoD Components shall pay special attention to safeguarding of inventory items. This shall include analysis of loss rates through

inventories, Financial Liability Investigation of Property Loss ([DD Form 200](#)) reports, and criminal incident reports to establish whether repetitive losses indicate criminal or negligent activity. Physical security procedures for supply system material are contained in [DoD 5200.8-R](#).

C6.2.4. Asset Management. A single total item property record shall be shared to provide material asset information. The total item property record shall, as a minimum, include material that is due-in, in-transit, in organic maintenance facilities, in a contractor's custody, on loan, on-hand in distribution centers, reported on-hand at retail activities, and for reported assets in the custody of users. The record or record set shall identify the quantity, condition, and value of the item asset for each organizational entity having physical custody of these assets.

C6.2.5. Maintaining Property Accountability/Responsibility. The property accountability responsibility for segments of the total item property record may be delegated to, but not shared by, one or more organizational entities. However, asset balance information for a particular segment (such as storage activity balance for an item) will be shared; duplicative records shall not be maintained.

C6.2.5.1. Storage Activity Responsibility. The storage activity maintains the property accountability record for all material in storage and is responsible, as a minimum, for material custody, care, receipt, storage, and issue; safeguarding and re-warehousing materials; physical inventory and research; location survey/reconciliation; quality control checks; supply discrepancy report initiation, research and resolution; investigating and assessing financial liability for loss, damage, and destruction of Government property; and appropriate actions necessary to ensure that the physical on-hand quantity and the total item property record quantity are in agreement.

C6.2.5.2. Owning DoD Component. The owning DoD Component shall either assume or assign the accountability for material not in the physical custody of a storage activity, including material inducted for organic repair, test assembly/disassembly, conversion, modification, or reclamation; material in a contractors hands (in accordance with provisions of the Federal Acquisition Regulations), material in-transit; material on loan, etc.

C6.2.5.3. IMM Responsibility. The IMM is responsible for initiating and directing the conduct of physical inventories; discrepancy research and reports; resolving discrepancies, investigating, and assessing liability for loss, damage, and destruction of Government property; and taking appropriate actions necessary to ensure that the on-hand quantity and the total item property record quantity are in agreement for all DoD material that is not in the physical custody of the DoD Components.

C6.2.6. End of the Day Processing. (Use the following end of the day processing procedures pending the establishment of single shared asset balances.) End-of-the day-processing shall be accomplished as follows:

C6.2.6.1. Owner/Manager and Storage Activity Responsibility. Owners/IMMs and storage activities shall daily match all active records (i.e., stock numbers that had any transaction affecting record balances) on-hand balances. The storage activity shall send the daily closing balance to each affected owner/manager using DS to Federal IC 846R, Location Reconciliation, with Type of Location Reconciliation Request Code List Qualifier Code FH citing code 1 (End of the Day Processing).

C6.2.6.2. Preparing Location Reconciliation and End of Day Accountable Transaction Count. Storage activities shall prepare location reconciliation request transactions (**DS 846R**) by line-item (stock number + supply condition code = line item), type of pack, and date packed/expiration date for subsistence, for each record transaction affecting the balance (including zero balance), and for no physical inventory adjustment required (DS to Federal IC 947I, Inventory Adjustment, with zero quantity). The storage activity shall also send an End of Day Accountable Transaction Count (DS to Federal IC 846P) to advise the owner/IMM of the number of balance affecting transactions that were forwarded during the daily course of business. This end of day count transaction is compared to the actual number of transactions received by the owner/IMM to identify missing transactions and aid in unreconciled balance (URB) research. The five accountable transaction types for which the storage activity shall provide the owner/IMM end of day transaction counts using a single DS 846P are as follows:

C6.2.6.2.1. Receipts (DS 527R with 1/BR02 Transaction Type Code D4).

C6.2.6.2.2. Issues (DS 867I).

C6.2.6.2.3. Inventory Adjustment-Increases (DS 947I with 2/W1916 Inventory Transaction Type Code AJ).

C6.2.6.2.4. Inventory Adjustment-Decreases (DS 947I with 2/W1916 Inventory Transaction Type Code AD).

C6.2.6.2.5. Inventory Adjustment-Dual (DS 947I with 2/W1916 Inventory Transaction Type Code DU).

C6.2.6.3. Location Reconciliation Request/Record Reconciliation

C6.2.6.3.1. Requirements. Owners shall match the storage activity location reconciliation requests to the affected records. Imbalances shall be programmatically researched to assure consideration of in-float documents, delayed transactions, and duplicate transactions. For unresolved mismatched quantities, the owner/IMM shall update the affected record on-hand balance with the storage activity's

closing on-hand balance. The mismatched quantity (gains and losses) shall be adjusted with the DS 947I with Quantity or Status Adjustment Reason Code AB (Accounting Error Inventory Adjustment Increase/ Decrease).

C6.2.6.3.2. Request for Assistance. Owners/IMMs shall request assistance from the storage activity to isolate causes of record imbalances to maintain transaction level integrity. The storage activity assistance should focus on data transmission, e.g., lost transactions, etc.

C6.2.7. Reconciling Total Item Property Records with Financial Records. Owning DoD Components shall reconcile total item property records and financial records as prescribed by [DoD 7000.14-R](#) to ensure compatibility of the total inventory value reflected by these records and associated reports.

C6.2.8. Item Management/Control. DoD material is managed and controlled by stock number, supply condition code, and by type of pack and date packed/ expiration date for subsistence. Therefore, physical inventories shall be done and results reported to owners/managers by stock number and supply condition code, and by type of pack and date packed/expiration date for subsistence.

C6.2.9. Storage Activity Record Keeping. Storage activities shall keep quantitative balance records for all material on hand regardless of ownership. Storage activities shall keep transaction histories to support the balance records. Maintenance of these records shall give the capability to detect theft or diversion of material and improve the ability to determine the cause of inventory variances for corrective action.

C6.2.10. Inventory Prioritization. The DoD Components shall select and prioritize items for inventory for which they are accountable as follows:

C6.2.10.1. Inventory Sampling. A stratified, hierarchal inventory sample shall be accomplished at least once annually for the purpose of validating the accuracy of the accountable record. Results of the sample will be reported in accordance with the stratification and tolerances cited in table C6.T1.

C6.2.10.2. Items Designated for Complete Inventories. Complete inventories shall be done as follows:

C6.2.10.2.1. Controlled Inventory Items. The following controlled inventory items (identified in [DoD 4100.39-M](#)) require complete physical inventory and do not qualify for use of a random statistical sampling approach:

C6.2.10.2.1.1. Top Secret.

C6.2.10.2.1.2. Narcotics, drug abuse items, and alcohol.

C6.2.10.2.1.3. Category I non-nuclear missiles and rockets (semiannually in accordance with [DoD 5100.7-M](#)).

C6.2.10.2.1.4. Precious metals.

C6.2.10.2.1.5. Small arms.

C6.2.10.2.1.6. Radioactive items.

C6.2.10.2.1.7. Inert nuclear ordnance material.

C6.2.10.2.1.8. Other items that may be designated by DoD or the DoD Components.

C6.2.10.2.2. Ammunition or Subsistence. If ammunition or subsistence is subjected to complete inventory, physical inventory and location survey may be conducted concurrently.

C6.2.10.2.3. Exceptions. Controlled inventory items not subject to annual complete physical inventory must be subjected to annual random statistical sampling. Acceptable statistical sampling techniques are widely prescribed and may be used so long as every item included in the population has an equal probability of being selected in the sample. The statistical sampling technique must give reasonable assurance (as a minimum) that the property accountability records are accurate with a 95 percent level of confidence, accuracy level of 95 percent, and a maximum margin of error of 2 percent. If the sample inventory results do not satisfy the above criteria, complete physical inventory of the population from which the sample was selected shall be done.

C6.2.10.3. Items Not Designated for Complete Inventories. Inventories for items not designated for complete inventory under subparagraph C6.2.10.2 shall be done as a result of:

C6.2.10.3.1. Total or partial material release denials (spot inventory--see subparagraph C6.3.4.1 and Type Physical Inventory/Transaction History Code E).

C6.2.10.3.2. Location **reconciliation** variances.

C6.2.10.3.3. Location survey errors.

C6.2.10.3.4. Owner/IMM request (special inventory); or

C6.2.10.3.5. Owners may select items for inventory based on their physical inventory prioritization methodology or model, which considers characteristics identified by each DoD Component based on the DoD Component priorities, readiness drivers; etc. The owner and storage activity shall negotiate projected workload at least

once annually (prior to each fiscal year). The owner shall send prioritization methodology/model results to the **storage activity** annually using DS 846P with Type Physical Inventory or Transaction History Code I¹. Items selected for inventory based on owner priority selection systems shall not be given priority over inventory sampling, complete inventories, total or partial denial inventories, locations reconciliation variances, and location survey errors inventories.

C6.2.11. Potential Discrepancies. Potential discrepancies between the actual physical count of material and the property accountability record on hand balance shall be researched and resolved in accordance with Table C6.T3., either by:

C6.2.11.1. Correctly posting supply transactions (e.g., receipts, issues, adjustments, etc.) discovered during the research process that were previously incorrect or un-posted in the record imbalance; and/or

C6.2.11.2. Posting an inventory adjustment to correct the imbalance

C6.2.12. Accuracy and Performance Goals. The acceptable DoD accuracy and performance goals are as follows:

C6.2.12.1. Material Denial Goal: Not greater than one percent.

C6.2.12.2. Receipt Processing Performance Goal: 90 percent stored and posted within time standards (see Chapter 13).

C6.2.12.3. Record Reconciliation Program:

C6.2.12.3.1. Location Survey Accuracy:

C6.2.12.3.2. 97 percent - General Supplies.

C6.2.12.3.3. 98 percent – Ammunition.

C6.2.12.3.4. Location Reconciliation Accuracy:

C6.2.12.3.5. 97 percent - General Supplies.

C6.2.12.3.6. 98 percent – Ammunition.

C6.2.12.4. Ammunition Property Accountability Record Accuracy Goal: 95 percent.

¹ The DSS is capable of accepting DS 846P with Type Physical Inventory/Transaction History Code I; however, the DoD Components have not implemented this capability. The DoD Component Supply PRC representatives must provide DLMSO with an implementation date, if implementing this capability, per Approved DLMS Change (ADC) 33 (available at <http://www.dla.mil/j-6/dlmsc/changes>).

C6.2.12.5. General Supplies Record Accuracy Goals²

Table C6.T1. GENERAL SUPPLIES RECORD ACCURACY GOALS

STRATIFICATION SUBPOPULATIONS AND ASSOCIATED GOALS AND TOLERANCE LEVELS			
CATEGORY	SUB-POPULATION	GOAL	TOLERANCE
A	UNIT PRICE \geq \$1,000	99%	0%
B	UNITS OF ISSUE WHICH MAY BE NON-DEFINITIVE OR DIFFICULT TO MEASURE ³ OR (ON-HAND BAL > 50 AND EXTENDED VALUE < \$50,000) OR NSN ACTIVITY (# transactions affecting balance in one year) > 50	95%	10%
C	DATE OF LAST INVENTORY > 24 MONTHS AND ON-HAND BALANCE < 50	95%	5%
D	ALL OTHER MATERIAL NOT MEETING ABOVE CRITERIA	95%	0%
95% Confidence Level $\pm 4\%$ Bound applicable to each category.			

² Within 30 calendar days after the end of the 4th quarter each fiscal year, the DoD Components must send record accuracy goal information to ADUSD (L&MR/SCI), via electronic mail. Send to: debra.bennett@osd.mil. Data may be obtained throughout the year.

³Applicable Units of Issue: AT, AY, BF, BK, CD, CF, CZ, DZ, FY, FT, FV, GP, GR, HD, KT, LB, MR, OZ, OT, PG, PR, SE, SF, SO, SP, SY, TD, TE, TF, TN, TO, TS, MC, MX, YD

C6.3. PHYSICAL INVENTORY PROCEDURES

C6.3.1. Inventory Program Accomplishment. Storage activities shall monitor program accomplishment throughout the fiscal year to ensure the requirements of paragraph C6.2.10 are met.

C6.3.2. Pre-Inventory Planning. The potential for count inaccuracies shall be reduced by conducting pre-inventory planning to include:

C6.3.2.1. Actions to ensure location integrity by correcting such situations as un-binned / loose material; questionable identity of material in location; and single locations containing multiple supply condition codes or stock numbers, inadequately labeled shelf-life items (date of manufacture/assembly/pack or date of expiration/inspection/test, as appropriate); and/or material lots stored in a single location.

C6.3.2.2. Document cleanup to ensure to the extent possible that receipts, adjustments, transaction reversals, and other transactions are posted to the property accountability record and that in-process receipts are stored in location prior to the established physical inventory cutoff date.

C6.3.3. Scheduled Inventories

C6.3.3.1. Item Characteristics. Storage activities shall initiate all scheduled inventories based on item characteristics. Specifically, the controlled inventory item code and any other category codes designated by the DoD Components that require physical inventory not less than once each fiscal year, with the DS 846P using Type Physical Inventory/Transaction History Code G.

C6.3.3.2. Selection and Prioritization Model. Storage activities shall initiate all scheduled inventories based on selection and prioritization model criteria with the DS 846P using Type Physical Inventory/Transaction History Code I.

C6.3.3.3. Random Statistical Inventories

C6.3.3.3.1. Scheduled Inventory Sampling. Storage activities shall initiate the scheduled random statistical sample inventory to meet the Departments requirements to validate the accuracy of the supply records with DS 846P using Type Physical Inventory/Transaction History Code N.

C6.3.3.3.2. Scheduled Sampling of Owned Items. Owners may initiate a scheduled random statistical sample inventory of lined items owned to determine the overall accuracy of their records with DS 846P using Type Physical Inventory/Transaction History Code L. Storage activities may also initiate a scheduled random statistical sample inventory of line items in storage to determine the overall accuracy of their records with DS 846P using Type Physical Inventory/Transaction History Code P.

C6.3.3.4. Locator/Property Accountability On-Hand Balance Mismatches. Storage activities may initiate scheduled inventories as a result of on-hand balance mismatches between the locator and property accountability records with DS 846P using Type Physical Inventory/Transaction History Code M.

C6.3.4. Unscheduled Inventories

C6.3.4.1. Special Inventory. Owners, accountable offices, and storage activities shall initiate special inventories using DS 846P. If an inventory has not been taken within the past 90 calendar days, cite Type Physical Inventory/Transaction History Code C, D, J, or K. If an inventory has been taken within the past 90 calendar days, an effort shall be made to construct a transaction history and from it determine what the item balance should be or what discrepancy may have caused the imbalance. Only when these efforts fail to produce satisfactory results will special inventories be done. In this case, cite Type Physical Inventory/Transaction History Code H in DS 846P. The procedure for restricting special inventories may be waived when the IMM has recorded backorders for the item involved.

C6.3.4.2. Spot Inventory. Storage activities shall initiate spot inventories as a result of total or partial material denial on classified and sensitive items regardless of value, pilferable items when the value of the variance is greater than \$100, and for non-controlled items variances greater \$5,000. DS 846P requests shall cite Type Physical Inventory/Transaction History Code E. Storage activities shall do all requests for spot inventories.

C6.3.5. Canceling Inventories

C6.3.5.1. General. When conditions exist that prevent accurate completion of an inventory that has been established, the inventory shall be canceled by the storage activity or the owner/IMM. Conditions that may require cancellation include, but are not limited to, catalog changes, rewarehousing of material under inventory, insufficient resources, insufficient time to meet established inventory timeframes to notify other affected owners/IMMs, and acts of God.

C6.3.5.2. Owner/Manager Cancellation. When an owner/IMM cancels an inventory, the owner/IMM shall notify all affected storage activities using DS 846P with Management Code N.

C6.3.5.3. Storage Activity Cancellation. When a storage activity cancels an inventory, or when an owner/IMM requests cancellation of an inventory, the storage activity shall notify the requesting owner/IMM using DS 846P citing Management Code N. When a canceled inventory is required to meet annual inventory schedule requirements, it must be rescheduled by the storage activity within the current fiscal year. When a spot inventory (Type Physical Inventory/Transaction History Code E) is canceled, it must be rescheduled within 15 calendar days.

C6.3.6. Conducting, Recording, and Reporting the Inventory

C6.3.6.1. General. Physical inventory procedures at storage activities shall provide the required asset-to-record accuracy with positive control of material and documentation that are in-float, including material release orders, receipts, condition transfers, catalog and other data changes, etc.

C6.3.6.2. In-Float Document Control. The storage activity may reduce the volume of in-float accountable documents, during the period required for an item count, by suspending the issue of low priority material release transactions from undergoing inventory. However, material shall be released for items undergoing inventory when such release is necessary to meet the order/ship timeframes of DoD 4140.1-R, to include the recognition of the RDD. The distribution may also reduce the volume of in-float accountable documents by deferring routine supply condition code changes, providing Chapter 7 control requirements are complied with.

C6.3.6.3. Physical Inventory Timeframe. Storage activities shall complete physical inventories and send the appropriate DS 947I to the owner/IMM within 30 calendar days after the physical inventory cutoff date (PICD) for scheduled inventories and within 15 calendar days after the PICD for unscheduled inventories.

C6.3.6.4. Potential Variance. The storage activity shall compare the adjusted count with the balance kept by the storage activity to determine the potential variance and initiate post count validation and pre-adjustment research as required under section C6.4. Immediately upon completion of post count validation and pre-adjustment research, the storage activity shall record the count and date of last inventory on the storage activity quantitative balance record.

C6.3.6.5. Adjustments. When no adjustment is required, the storage activity shall update the storage activity record with the date of last inventory and send DS 947I with zero quantity for each line item to the owner/IMM to indicate completion of the inventory. The owner/IMM shall update the date of last inventory using DS 947I adjustment transaction date.

C6.3.6.6. Prorating Adjustment. When the storage activity record shows more than one owner for commingled material, the storage activity shall apply all gains and losses to the IMM. The storage activity shall prorate any losses that cannot be applied to the wholesale manager among all owners having balances. Storage activities shall not consider foreign owner balances in the prorating process. Foreign owner and Special Defense Acquisition Fund balances shall not be altered unless they are the only

remaining balances for reporting a loss. Resolution of these losses shall be in accordance with DoD Security Assistance Program policy.

C6.3.6.7. Processing Physical Inventory Adjustments. The storage activity shall process DS 947I, with 2/W1901/020, code AA, by line-item, and by each date packed/expiration date and type of pack for subsistence, to update the storage activity quantitative balance record and each owner/IMM record.

C6.3.7. Reconciling Manual Records for Controlled Items. When manual records are kept for control of assets in secured storage, the storage activity, as a minimum, shall reconcile these records at the time of inventory with the corresponding storage activity records and physical counts of material.

C6.3.8. Unscheduled Physical Inventory Follow-Up

C6.3.8.1. **Follow-up on Physical Inventory Request**. When the owner/IMM has requested an unscheduled inventory and no adjustment or completion transaction has been received within 40 calendar days of the date of the request, the owner/IMM shall initiate a follow-up using DS 846P, citing Management Code X and duplicate the remaining data from the DS 846P that established the inventory.

C6.3.8.2. Adjustment Follow-Up. The storage activity shall respond to the owner/IMM follow-up within 5 calendar days by providing the appropriate adjustment, completion, or cancellation transaction. If an adjustment or completion transaction was previously sent and a follow-up is received, the storage activity shall reply sending DS 846P with Management Code Y to the owner/IMM. The storage activity shall also send DS 947I showing the actual physical inventory adjustment, and identified as submission of historical information by 1/W1506/020, code W1.

C6.3.8.3. **No Record of Physical Inventory Request**. If the storage activity does not have a record of the owner/IMM original DS 846P request, the storage activity shall process the DS 846P, with Management Code X, as an original request for physical inventory.

C6.4. RESEARCH OF POTENTIAL OR ACTUAL PHYSICAL INVENTORY ADJUSTMENTS

C6.4.1. Policy. The DoD Components shall ensure potential or actual adjustments are researched in accordance with the value of the adjustment and type of item involved. DoD criteria for this research are in Table C6.T2. and will be used as the basis for selective research for supply system material. A reduction of the volume of erroneous adjustments can only be achieved by conducting specified degrees of research before posting the adjustment transaction. More stringent research requirements may be imposed by the DoD Components based upon the limits of resources available and upon specific asset control problems. However, in no case shall adjustments be processed

against items without required pre-adjustment research having been performed (see Table C6.T2.).

C6.4.2. Objectives. Analysis of inventory adjustments is vital in order to:

C6.4.2.1. Identify failures in the control systems so improvements can be made.

C6.4.2.2. Reduce future discrepancies.

C6.4.2.3. Ensure that proper adjustment was made.

C6.4.2.4. Evaluate indicators of trends or system problems for corrective action.

C6.4.2.5. Detect negligence, abuse, or theft of material. Known or suspected negligence, abuse, or theft will be researched in accordance with DoD 7200.10-M and Table C6.T.2.

C6.4.3. Timeliness of Research. Timely completion of the research of potential adjustments is essential. Delay only increases the complexities of adequate research and reduces the probability of conclusive findings.

C6.4.3.1. Pre-adjustment Research. Storage activity pre-adjustment research must be completed and the physical inventory adjustment/completion action posted to the owner/IMM record within 30 calendar days from PICD for scheduled inventories and 15 calendar days from PICD for unscheduled inventories.

C6.4.3.2. Mandatory Causative Research. The storage activity must complete mandatory causative research within 45 calendar days from date the adjustment transaction was posted. Sample causative research must be completed within 45 calendar days from date the sample causative research listing is created.

C6.4.4. Transaction History. For intra-DoD Component (or inter-DoD Component, based on agreement of the DoD Components involved) reconciliation, the owner/IMM may request transaction history for analyzing inventory discrepancies.

C6.4.4.1. Transaction History Request. The owner/IMM shall request the history using DS 846P citing the appropriate Type Physical Inventory/Transaction History Code. Transaction history shall consist of all transactions affecting the balance for the requested timeframe.

C6.4.4.2. Transaction History Data. The storage activity shall send transaction **history data** by submitting the affected transactions **identified as a historical submission** with beginning segment Action Code 'W1'. DLMS transactions **subject to** historical submission are: **receipt, issue, material release order, material release advice, and inventory adjustment (DS 527R, DS 867I, DS 940R, DS 945A, and DS 947I, respectively)**. When no history is available for the selected timeframe, submit **response to transaction history request (DS 846P)** indicating no history was available

(1/BIA02/20 Report Type Code AD) with Type of Physical Inventory/Transaction History Code 8 or 9.

C6.4.5. Error Classification Coding. Causes of potential/actual inventory adjustment errors are determined by research. Causes shall be classified, analyzed, and evaluated so action may be taken to correct situations causing errors. Error classification codes shall be **entered in physical** inventory adjustments **resulting from physical inventory** (DS 947I, 2/W1901/020, Code AA)⁴. For analysis and evaluation, error conditions shall be identified to the operation in which they occurred (e.g., receiving, issues, etc.) and classified by type within each operation. For reporting purposes, each operation and each error type have been identified by an alphabetic or numeric code **in the error classification code**. The error classification system is structured to provide the DoD Components latitude to amplify the DoD defined error classifications; however, the DoD Components shall summarize internally defined error classifications to the appropriate DoD classification for all reports provided to higher authorities, auditors, etc.

C6.4.6. Error Cause Feedback and Correction

C6.4.6.1. Causative History Summary. The storage activity shall send a quarterly summary of the causative research results for each individual NIIN to the commander of the storage activity concerned and to the Inventory Owners **(or the service International Logistics Control Activity in the case of FMS-owned materiel)**. **The summary information shall be provided for all adjustments of extended dollar value greater than \$16K and any adjustment of an item with a CIIC code that is Classified, Sensitive or Pilferable. As a minimum, the summary provided shall include, for each NIIN: supply condition code, DLMS 947I or MILSTRAP Document Identifier Code D8_ or D9_, quantity adjusted, routing identifier (RI) code of the storage activity making the adjustment, error classification code, controlled inventory item code, date created, date completed, and total adjusted dollar value.**

C6.4.6.2. Error Correction

C6.4.6.2.1. Storage Activity Commanders. Commanders at the storage activities shall use this information to identify and correct recurring errors in their operations (e.g., through established depot training programs, quality control checks, and other actions as required).

C6.4.6.2.2. Inventory Owners. Inventory owners shall use this information as a means to gain insight into the adjustments and subsequent actions taken to resolve the error and to evaluate whether changes in procurement practices, cataloging data, or other actions may be taken to prevent potential

⁴ The IMM may use error classification codes in DS 947I for Accounting Error inventory adjustments (2/W1901/020, code AB) pending establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

distribution errors. A single point of contact will be designated at the owner level to request information from DLA".

C6.4.7. Controlled Inventory Item Adjustments. Unresolved physical inventory adjustments for all classified and sensitive items regardless of value, and for pilferable items when the adjustment is in excess of \$2,500, as prescribed by DoD 7000.14-R, shall be referred to security officials of the storage activity at which the adjustment occurred to determine whether there is culpability or when fraud, waste, or abuse is suspected (see Table C6.T2.).

C6.4.8. Material Release Denials

C6.4.8.1. Document Formats. Chapter 4 prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of material release denial at storage activities and by owners/IMMs.

C6.4.8.1. Document Formats. Chapter 4 prescribes DoD standard document formats, data codes, and criteria for the preparation and processing of material release denial at storage activities and by owners/IMMs.

C6.4.8.2. Storage Activity Action. Upon initiation of a material release denial citing Management Code 1, 2, 3 (applies to subsistence only) or 4 (applies to subsistence and ammunition only), storage activities shall:

C6.4.8.2.1. Reverse the issue, adjust the storage activity record on-hand quantitative balance to zero, and send DS 947I for the adjusted quantity to the owner/IMM citing Management Code 1, 2, 3, or 4, and DS 947I to any other owners affected by the denial loss, citing denial Management Code Q.

C6.4.8.2.2. Initiate a spot inventory as required under subparagraph C6.3.4.2.

C6.4.9. Accomplishing the Inventory. If an inventory can be done without delaying processing of the MRO beyond the prescribed UMMIPS timeframes (see DoD 4140.1-R), it may be conducted before processing the denial transaction.

C6.5. REVERSAL OF INVENTORY ADJUSTMENTS. Reversal of physical inventory adjustment transactions ***resulting from physical inventory*** (DS 947I, 2/W1901/020, code AA) is a required capability that must be implemented with proper controls and supported by proper documentation. Procedures for reversing adjustments shall contain, as a minimum, the following control features:

C6.5.1. Posted/Un-Posted Source Documents. Reversals required to correct inventory records when previously un-posted or incorrectly posted supply transactions (e.g., receipts, issues, etc.), regardless of age, are limited to those transactions that can

be properly documented to reference the specific transaction document number(s) that will be processed to offset the reversal.

C6.5.2. Inventory Adjustment Corrections. Reversals required to correct physical inventory adjustments that were based on incorrect/incomplete information are limited to 2 years from date of the original adjustment unless requirements of paragraph C6.5.1 are met. All reversals must be properly documented.

C6.5.3. Limitations. Reversals shall not be processed solely on the basis of a previous offsetting physical inventory adjustment.

C6.5.4. Performance Assessment. Reversals against transactions processed within the adjustment period shall be separated and identified as follows:

C6.5.4.1. Gross adjustment during the current period.

C6.5.4.2. Reversal of prior quarters' adjustment transactions.

C6.5.4.3. Reversals of current quarters' adjustment transactions, and

C6.5.4.4. Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

C6.5.4.4. Total value of net adjustments during the current period (i.e., value of net gains added to value of net losses).

C6.6. RECORD RECONCILIATION PROGRAM. Each DoD Component shall implement a record reconciliation program that will consist of both a location survey and a location reconciliation.⁵ The DoD acceptable accuracy goals are in paragraph C6.2.11. The DoD Components may impose more stringent standards internally. The record reconciliation audit program is subject to the quality control checks shown in section C6.8. Errors shall be subject to validation and research before they are counted as an error. The DoD Components shall collect and analyze all Type III errors (see subparagraphs C6.6.1.2.3. and C6.2.2.3.) by element.

C6.6.1. Location Survey. Location survey requires a physical verification, other than actual count, between assets and recorded location data to ensure all assets are properly recorded. When a discrepancy is identified during the location survey program (Type I or Type II error (see subparagraphs C6.6.1.2.1 and C6.6.1.2.2)), the storage activity shall conduct prompt research and determine need for a special inventory DS 846P with Type Physical Inventory/Transaction History Code K). In some instances, location survey and physical inventory may be conducted concurrently for ammunition and subsistence.

⁵ The location reconciliation process will not be required with the establishment of single shared-asset balances (see paragraphs C6.2.2 and C6.2.4).

C6.6.1.1. Requirements

C6.6.1.1.1. Timing. Location survey shall be done at each storage activity at least once each fiscal year by (1) performing complete location survey of all locations; (2) using a statistical sampling methodology that ensures all locations are included in the population and each has a probability of selection; or (3) a combination of complete and statistical sampling.

C6.6.1.1.2. Rewarehousing. A location survey shall be conducted in both the gaining and losing storage areas following the accomplishment of re-warehousing projects. A location survey conducted as a result of re-warehousing projects satisfies the annual survey requirement for the area surveyed.

C6.6.1.1.3. Asset Comparison. Proper sequence of operating a location survey requires comparing of assets in storage locations with locator records. This sequence of operation is important to detect assets in unrecorded locations. An objective is to identify items to location survey lots or segments. Lots/segments shall be of a manageable size (number of items) to permit location survey in minimum time, to ensure maximum uninterrupted service to customers, and to obtain the greatest degree of accuracy from the location survey.

C6.6.1.1.4. Items within Lot/Segment. Items within a lot/segment, that have been subject to a complete item inventory, shall satisfy the annual survey requirement when the entire lot/segment is located in a clearly designated, conterminous warehouse space. These inventories lots/segments may be excluded from the complete survey for the fiscal year in which they were counted.

C6.6.1.1.5. Permanent Item Locations. When permanent locations are reserved for items, unoccupied recorded locations shall be identified and/or verified during the location survey.

C6.6.1.2. Accuracy Measurement. To measure the accuracy of the results of the location survey, discrepancies shall be classified in one of the three categories listed below. Only one error per stock number per location is charged when locator delete, locator establish, or locator record correction is required for the same location. When the stock number and actual assets differ, the discrepancy shall be classified as locator establish action only.

C6.6.1.2.1. Locator Record Deleted. The removal or change of a locator record when there is a recorded location but there are no physical assets--unless the location is being held open for new receipts. (Type I location survey error.)

C6.6.1.2.2. Locator Error Established. The recording of locations when assets are physically found in storage and no locator records exist, or when the recorded stock number disagrees with the material in the location. (Type II location survey error.)

C6.6.1.2.3. Locator Record Corrected. Changes to the locator record when physical material characteristics differ from any of the following data elements (Type III location survey error):

C6.6.1.2.3.1. Unit of issue.

C6.6.1.2.3.2. Supply condition code.

C6.6.1.2.3.3. Controlled inventory item code (see DoD 4100.39-M, Volume 10, table 61). Verification of the code shall consist of ensuring assets are stored in areas providing the degree of security commensurate with the assigned code.

C6.6.1.2.3.4. Type of pack code (for subsidence only). (See Chapter 4.)

C6.6.1.2.3.5. Lot number or unique item identifier (for ammunition only).

C6.6.1.2.3.6. Completeness and accuracy of magazine data card (for ammunition only).

C6.6.1.3. Special Inventory. To ensure accuracy of property accountability records, special inventories should be performed when assets are found in an erroneous or unrecorded location, or when there are mismatches in the unit of issue that may result in a quantity variance.

C6.6.2. **Location Reconciliation**.⁶

C6.6.2.1. Requirements. Location reconciliation requires a match between storage activity records and owner/IMM records, in order to identify and to correct situations when there is: (1) an owner/IMM record with no corresponding storage activity record, (2) a storage activity record with no corresponding owner/IMM record, (3) common elements of data that do not match, and (4) quantity discrepancies. Mismatches shall be researched and special inventories conducted when required to effect corrective action.

C6.6.2.2. Accuracy Measurement. To measure the accuracy of the results of the location reconciliation program, discrepancies shall be classified in one of the four categories listed below (report only one error per location reconciliation error).

C6.6.2.2.1. Owner/IMM Record. Shows balance for storage activity; no location reconciliation transaction received. (Type I location reconciliation error.)

⁶ The location reconciliation process will not be required with the establishment of single shared-asset balances (see sections C6.2.2 and C6.2.4).

C6.6.2.2.2. Location Reconciliation Transaction. Received from storage activity; no corresponding owner/IMM record (Type II location reconciliation error.)

C6.6.2.2.3. Mismatch of Data Elements. Mismatch of any of the following (Type III location reconciliation error):

C6.6.2.2.3.1. Unit of issue

C6.6.2.2.3.2. Ownership/IMM identifier.

C6.6.2.2.3.3. Controlled inventory item code (see [DoD 4100.39-M](#), Volume 10, table 61).

C6.6.2.2.3.4. Type of pack code (subsistence only).

C6.6.2.2.3.5. Shelf-life code.

C6.6.2.2.3.6. Date packed/expiration date (subsistence only).

C6.6.2.2.4. Quantity Discrepancy (Type IV Reconciliation Error)

C6.6.2.3. Guidance. Location reconciliation shall be done by the DoD Components in accordance with the following guidance:

C6.6.2.3.1. **Location Reconciliation**. Owners/IMMs and storage activities shall reconcile all records annually. The annual reconciliation shall be done as required by subparagraph C6.6.2.3.3, below.

C6.6.2.3.2. **Location Reconciliation Request**. Storage activities shall prepare location reconciliation request transactions by line-item, and by type of pack and date packed/expiration date for subsistence, for each stock number regardless of the balance (including zero balances). Storage activities will use DS 846R (***1/BIA/01, Report Type Code LC citing 1/BIA/06, Action Code 24, for annual location reconciliation request***).

C6.6.2.3.3. Activity Records. All owner/IMM and storage activity records (active and inactive records, including zero balances) shall be reconciled at least once each fiscal year. Storage activities and Components may negotiate agreements for conducting annual location reconciliation any time during the fiscal year. When no such agreement exists, location reconciliation requests shall be prepared on the second Tuesday of the month indicated in the following schedule:

Table C6.T2. Schedule of Annual Location Reconciliation Requests

<u>SERVICE OR AGENCY</u>	<u>PREPARATION DATE</u>
Army	2nd Tues - January

Navy	2nd Tues - March
Marine Corps	2nd Tues – May
Air Force	2nd Tues – July
Defense Logistics Agency	2nd Tues - September

C6.6.2.3.4. **Control of Location Reconciliation**. Storage activities and owners/IMMs shall establish the following provisions for controlling location reconciliation:

C6.6.2.3.4.1. **Location Reconciliation Notification**. Storage activities shall advise intended recipients (owners/IMMs) of the number of transactions being forwarded, and cut-off date, using DS 846R **(1/BIA/02, Report Type Code X4, for location reconciliation notification)**.

C6.6.2.3.4.2. **Location Reconciliation Transaction History**

C6.6.2.3.4.2.1. **Location Reconciliation History Notification Transaction**. When transaction history is required with Location Reconciliation, the storage activity shall advise intended recipients (owners/IMMs) of number of historical transactions being sent, and the cutoff date, using DS 846R **(1/BIA/02, Report Type Code ZZ, for location reconciliation history notification)**.

C6.6.2.3.4.2.2. **Location Reconciliation History Transactions**. For transaction history associated with annual reconciliation, the owner/manager may cite type of Physical Inventory/Transaction History Code Y in the DS 846P request for transaction history. Transactions subject to transaction history submission are DS 527R, **DS 867I, DS 940R, DS 945A, and DS 947I**. The transaction history code may be included in the transaction history submission. DLA owner/managers shall use code 'Y' for automatic submission of history requests for the Annual (Total) Reconciliation, and code 'W' for automatic submissions of transaction history requests for their weekly process. The **storage activity** perpetuates the type of physical inventory/transaction history code in the transaction history submissions.

C6.6.2.3.4.3. Owners/IMMs will use **the location reconciliation notification and location reconciliation history notification** transactions to determine receipt of all Location Reconciliation and historical transactions. Where the number of transactions to be sent does not match what was actually received, the owner/IMM may reject the location reconciliation **notification and/or** location reconciliation history notification transactions using DS 824R, with Reject Advice Code AY.

C6.6.2.4. **Processing Location Reconciliation Request**. In processing location reconciliation requests, owners/IMMs shall match the requests to the owner/IMMs records. When a mismatch is programmatically unresolved, DS 947I - for inventory adjustment for accounting error (2/W1901/code AB), will be processed to adjust the owner/IMM records. All Type I, II, III, and IV mismatches meeting the criteria for causative research (see table T.6.2.) shall be resolved as follows:

C6.6.2.4.1. Research of owner/IMM active and historical records.

C6.6.2.4.2. Research of storage activity active/historical record DS 846P with Type Physical Inventory/Transaction History Code X.

C6.6.2.4.3. Request physical inventory DS 846P with Type Physical Inventory/Transaction History Code J.

C6.6.2.4.4. If the above actions fail to resolve the mismatch, DS 947I for accounting error inventory adjustment (2/W1901/code AB), shall remain on the owner/IMM records.

C6.6.2.5. Exceptions. A physical inventory is not required under the following conditions, except when the mismatch involves classified or sensitive items (regardless of dollar value), or pilferable items (when the extended dollar value of the variance is greater than \$100).

C6.6.2.5.1. Record Adjustment Value \$5000 or Less. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less and 10 percent or less of the beginning value of the variant owner/manager record for Type IV, errors (see subparagraph C6.6.2.2.4.).

C6.6.2.5.2. Record Adjustment Value \$5000 or Less for Type I/II. The owner/manager record may be adjusted without special inventory when the extended value of the variance is \$5,000 or less for Type I and Type II errors (see subparagraphs C6.6.2.2.1. and C6.6.2.2.2.).

C6.6.2.6. Discrepancies. When a discrepancy is identified during the location reconciliation, send the following transaction sets, as appropriate, to the submitting activity:

C6.6.2.6.1. DS 824R – Reject Advice Transaction, as prescribed in Volume 1, Chapter 6.

C6.6.2.6.2. DS 888I - Storage Item Correction **Transaction**, as prescribed in this chapter (**use DS 888I**). **Storage activities shall use DS 888I to update stock records, item locator records, and bin tags.**

C6.7. RETENTION OF ACCOUNTABLE DOCUMENTATION. Audit capability is required for a period of time following the processing of documents and data and completion of the research effort. The following retention criteria will apply:

C6.7.1. Source Documents. Retain original source documents or facsimiles, i.e., microform (microfilm, microfiche), Compact Disk-Read-Only Memory (CD-ROM), etc., for at least 2 years. Where source documents are produced, these include only accountability change documents such as receipts, issues, shipments, transfers, supply

condition code changes, and inventory and financial adjustments. Keep source documents providing evidence of shipment to FMS recipients for 2 years from date of material shipment.

C6.7.2. Transaction History. Keep registers, records, files, tapes, and data for at least 2 years in a format useful for audit trail purposes. Automated inventory control systems shall be designed to facilitate the printout of transaction histories that indicate the date the last physical inventory was conducted for each item.

C6.7.3. Adjustment Research. Keep backup documentation that directly pertains to individual cases of physical inventory adjustment research efforts for at least 2 years.

C6.7.4. Annual Statistical Inventory. Keep annual statistical sample inventory line-item detail data for at least 2 years.

C6.8. QUALITY CONTROL

C6.8.1. Goals and Objectives. The DoD Components shall establish a quality control program at each owner/IMM and storage activity that encompasses the objectives of [DoD Directive 5010.38](#), and the physical inventory objectives contained in [DoD 4140.1-R](#). Portions of the program can be accomplished during ongoing practices within inventory processes. Quality control results will assist management in identifying those human, procedural, or system errors that adversely affect record accuracy and in achieving better control over physical material warehousing practices. Within the scope of this quality control program, those work processes directly related to the control of physical material shall be monitored for attained quality levels and performance evaluated on improvements, not numerical goals. Accordingly, all quality control programs shall include reviews to assess the accuracy/quality of the following work processes:

C6.8.1.1. Warehousing practices -- to include checks of storage practices, stock rotation, shelf-life management, identification of material in store, mixed stock, location accuracy and rewarehousing projects.

C6.8.1.2. Receiving practices -- to include checks of documentation, material identity, quantity, and supply condition code; checks for processing timeliness; and verification of daily input data to the location system.

C6.8.1.3. Issuing practices -- to include checks of legibility of issue documents; accuracy of stock selection as to identity, quantity, unit of issue, shelf life, SCC, and type of pack (subsistence only); marking of outgoing shipments; and release to carriers.

C6.8.1.4. Validity of automated data -- to include checks of receipt, issue, and adjustment transaction data entries against input documentation.

C6.8.1.5. Inventory practices -- to include checks of inventory counts, location surveys, location reconciliation corrective actions, causative research, and adjustments at both the owner/IMM and storage activity.

C6.8.1.6. Catalog practices -- to include checks of catalog change processing, accuracy, and timeliness, using the affected recorded locations as the universe.

C6.8.1.7. Locator file updates -- to include checking the accuracy of changes to the locator file (e.g., all additions, deletions, and changes of unit of issue, SCC, shelf life, etc.).

C6.8.1.8. Report of discrepancy processing -- to include checks for processing timeliness and checking the accuracy of the SDR initiation, follow up and reply, investigation research including identification and correction of supply errors, adjustment of accountable and financial records, and preparation of Financial Liability Investigation of Property Loss report ([DD Form 200](#)).

C6.8.1.9. Logistics reassignment processing -- checks to determine if the logistic reassignment action were completed; e.g., LIM/GIM records were changed to reflect decapitalization/transfer, LIM directed the storage activity to change the decapitalized/transferred assets to GIM ownership, the storage activity effected and advised the LIM of the change, and the LIM initiated action to resolve any quantity variances.

C6.8.1.10. Suspended asset processing -- to include checks of the timeliness in reclassifying suspended (SCCs J, K, L, Q, and R) material.

C6.8.2. Assignment of Responsibility. Whenever possible, quality control checks of these work processes shall include identification of the individual performing the tasks. This will facilitate the placement of responsibility for appraising and improving quality with each IMM within the chain of command.

C6.8.3. Command Emphasis. Continued command management emphasis and review of performance are essential for the success of the quality control program. Command IMMs must ensure effective organizational interrelationships among the functional element concerned with the PICP such as: comptroller, data systems, transportation, warehousing, maintenance, quality control, and supply management. The quality control program shall include provisions for initiation of corrective action when acceptable quality levels are not met.

C6.9. PICP PERFORMANCE ASSESSMENT. The DoD Components shall collect and maintain performance standards and management data prescribed in paragraphs C6.9.1. and C6.9.2, for all material for which the DoD Component maintains the property accountability record. This includes all DoD wholesale supply system assets of principal and secondary items, including package fuels, less all material exclusions listed in DoD 4140.1-R; Report Control Symbol: DD-P&L(Q) 935 applies when the DoD Component is

required to report this information to higher authorities. [DD Form 2338-1](#) (Inventory Control Effectiveness Report Ammunition) and [DD Form 2338-2](#) (Inventory Control Effectiveness Report General Supplies) are available for intra-Component use when required by the DoD Component.

C6.9.1. General Supplies Performance Standards and Data. (The information in this section corresponds to information reflected on DD Form 2338-2.)

C6.9.1.1. Performance

C6.9.1.1.1. Material Denials⁷:

C6.9.1.1.1.1. Lines Directed for shipment. The total number of line items directed for shipment (MROs, referral orders, redistribution orders (DS 940R Material Release)).

C6.9.1.1.1.2. Total Material Denials. The total material denials (sum of total and partial denials, and warehouse refusals DS 945A, Material Release Advice). Include denial transactions classified by denial Management Codes 1, 2, 3 (subsistence only), 4, 5, 6, and 7 in the total.

C6.9.1.1.1.3. Material Denial Rate. Compute this figure by dividing total denials by the line items directed for shipment and multiplying by 100. The DoD performance goal for the material release denial rate is not greater than 1 percent.

C6.9.1.1.2. Receipt Processing Performance⁸:

C6.9.1.1.2.1. Receipts Posted and Stored. The total number of line item receipts posted and stored to the total item property record.

C6.9.1.1.2.2. Receipts Posted and Stored on Time. The total number of line-item receipts which were effectively posted and stored within the timeframes. Both storing and posting actions are considered complete when the item is in the storage location or available for issue, and the quantity is posted to the total item property record.

C6.9.1.1.2.3. On-Time Receipt Rate. Compute this figure by dividing the total number of receipts posted and stored on time by the total number of receipts and multiplying by 100. The DoD performance goal for posting and storing receipts on time is 90 percent.

⁷ Performance data maintained by DLA for material stored at DSS locations regardless of ownership. Maintained by Service for material stored at Service depots.

⁸ Performance data maintained by DLA for material stored at DSS locations regardless of ownership. Maintained by Service for material stored at Service depots.

C6.9.1.1.3. Record Reconciliation Program. Shows the results of the location survey (ratio of accurate storage activity locator records to storage activity locations surveyed) and the location reconciliation⁹ (ratio of valid storage activity records to IMM records):

C6.9.1.1.3.1. Locations Surveyed¹⁰. The number of storage activity locations surveyed.

C6.9.1.1.3.2. Survey Errors. The total number of location discrepancies as defined in subparagraph C6.6.1.2. Report only one error per stock number per location.

C6.9.1.1.3.3. Survey Accuracy. Compute this figure by dividing the locations with discrepancies by the total locations surveyed multiplying by 100, and subtracting the result from 100 percent. DoD goal for location survey accuracy is 97 percent.

C6.9.1.1.3.4. Locations Reconciled¹¹. The total number of location records reconciled (i.e., the sum of line items on the owner's/IMM's record and line items not on the IMM's record but were on the storage activities' records).

C6.9.1.1.3.5. Reconciliation Errors. The total number of discrepant location records as defined in subparagraph C6.6.2.2. Count one error per location reconciliation request (line item) or unmatched IMM's record.

C6.9.1.1.3.6. Reconciliation Accuracy. Compute this figure by dividing the number of discrepancies by the number of records reconciled, multiplying by 100, and subtracting the result from 100 percent. DoD goal for location reconciliation is 97 percent.

C6.9.1.2. Physical Inventory Adjustments

C6.9.1.2.1. Physical Inventories:

C6.9.1.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line items inventoried (scheduled and unscheduled). Each SCC for a stock number at each storage activity is a line item.

C6.9.1.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

⁹ The location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

¹⁰ Performance data maintained by DLA for locations surveyed at DSS locations regardless of ownership. Maintained by Service for locations surveyed at Service depots.

¹¹ Performance data maintained by owner/IMM regardless where material is stored.

C6.9.1.2.1.3. Inventory Variance Rate. Shows the percent of line-items inventoried that had an inventory variance. Compute this figure by dividing the lines with inventory variances by the total line items inventoried and multiply by 100.

C6.9.1.2.1.4. Number of Inventories with Major Variances. The total number of line items inventoried (scheduled and unscheduled) that had a major inventory variance (overages or shortages exceeding \$5,000) and all variances on controlled items.

C6.9.1.2.1.5. Major Variance Rate. Shows the percent of line-items inventoried that had major inventory variances. Compute this figure by dividing the lines with a major inventory variance by the total line items inventoried and multiply by 100.

C6.9.1.2.2. Number of Adjustments from other than Physical Inventories¹²

C6.9.1.2.2.1. Number of Location Reconciliation Adjustments. The number of location reconciliation adjustments (DS 947I with 2/W1901/020, code AB).

C6.9.1.2.2.2. Number of End of the Day Processing Adjustments. The number of end of the day processing adjustments (DS 947I Inventory Adjustment with 2/W1901/020, code AB).

C6.9.1.2.2.3. Total. Absolute total of adjustments from other than physical inventories.

C6.9.1.2.3. Total Adjustments. The sum of number of inventories with variances and the number of adjustments from other than physical inventories.

C6.9.1.2.4. Number of Reversals of Inventory Adjustments

C6.9.1.2.4.1. Number of Gain Reversals. The number of gain reversals of inventory adjustments.

C6.9.1.2.4.2. Number of Loss Reversals. The number of loss reversals of inventory adjustments.

C6.9.1.2.4.3. Total. Absolute total of inventory reversals (gains and losses).

C6.9.1.2.5. Monetary Value

C6.9.1.2.5.1. Average Value of Inventory. The average value of on-hand assets as shown on financial records for the 12 months prior to the report cutoff date (i.e., current quarter plus last three quarters).

¹² The end of day process and location reconciliation process will not be required with the establishment of single shared asset balances (see paragraphs C6.2.2 and C6.2.4).

C6.9.1.2.5.2. Record Value of Items Inventoried. The extended value prior to actual inventory of line-items inventoried (scheduled and unscheduled) during the reporting period.

C6.9.1.2.5.3. Value of Inventory Adjustments

C6.9.1.2.5.3.1. Physical Inventory Adjustments:

C6.9.1.2.5.3.1.1. Gains. Monetary value of gains resulting from inventory less the monetary value of gain reversals (from current and prior quarters) processed during the report period.

C6.9.1.2.5.3.1.2. Losses. Monetary value of losses resulting from inventory less the monetary value of loss reversals (from current and prior quarters) processed during the report period.

C6.9.1.2.5.3.1.3. Gross Adjustments

C6.9.1.2.5.3.2. Reversals--Current Quarter

C6.9.1.2.5.3.2.1. Gains. The total monetary value of decreases to the record balances as a result of reversing gain adjustments processed during the reporting period. Compute the FY to Date value for reversals of current quarter gains by adding the Quarter Ending value for reversal of current quarter gains to the prior quarter FY to Date value of reversal of current quarter gains.

C6.9.1.2.5.3.2.2. Losses. The total monetary value of increases to the record balances as a result of reversing loss adjustments processed during the reporting period. Compute the FY to Date value for reversal of current quarter losses by adding the Quarter Ending value for reversal of current quarter losses to the prior quarter FY to Date value for reversal of current quarter losses.

C6.9.1.2.5.3.2.3. Total. **The absolute** total of reversals of current quarter gains and losses.

C6.9.1.2.5.3.3. Reversal--Prior Quarters

C6.9.1.2.5.3.3.1. Gains. The total monetary value of decreases to record balances as a result of reversing gain adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarters gains by adding the quarter ending value of reversal of current quarter gains to the prior quarter gains.

C6.9.1.2.5.3.3.2. Losses. The total monetary value of increases to record balances as a result of reversing loss adjustments reported in prior quarters. Compute the FY to Date value for reversal of prior quarter losses to the prior quarter FY to Date value for reversal of prior quarter losses.

C6.9.1.2.5.3.3.3. Total. **The absolute** total of reversals of prior quarter gains and losses.

C6.9.1.2.5.3.4. Total Reversals. The total of reversals of current quarter and prior quarter gains and losses.

C6.9.1.2.5.3.5. Total Record Imbalances. The total of gross adjustments and total reversals.

C6.9.1.2.6. Gross Adjustments as a Percent of

C6.9.1.2.6.1. Average Value of Inventory. Divide the total value of gross adjustments by the average value of inventory and multiply by 100.

C6.9.1.2.6.2. Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.

C6.9.1.2.7. Total Record Imbalances as a Percent of:

C6.9.1.2.7.1. Average Value of Inventory. Divide the value of the total record imbalances by the average value of inventory.

C6.9.1.2.7.2. Value of Items Inventoried. Divide the total value of gross adjustments by the record value of items inventoried and multiply by 100.

C6.9.1.2.8. Monetary Value of Location Reconciliation:

C6.9.1.2.8.1. Value of Line Items Reconciled. The extended value of line-items reconciled during the reporting period.

C6.9.1.2.8.1.1. Gains. The monetary value of gains resulting from reconciliation during the period.

C6.9.1.2.8.1.2. Losses. The monetary value of losses resulting from reconciliation during the period.

C6.9.1.2.8.1.3. Total. **The absolute** total of location reconciliation gains and losses.

C6.9.1.2.8.2. Monetary Value of End of the Day Processing

C6.9.1.2.8.2.1. Gains. Enter the value of gains resulting from end of the day processing.

C6.9.1.2.8.2.2. Losses. Enter the value of losses resulting from end of the day processing.

C6.9.1.2.8.2.3. Total. **The absolute** total of end of the day processing gains and losses.

C6.9.2. Ammunition Performance Standards and Data. (The information in this section corresponds to information shown on DD Form 2338-1.)

C6.9.2.1. Performance

C6.9.2.1.1. Material Denials. Complete as described in subparagraph C6.9.1.1.1. For ammunition, include denial transactions classified by denial Management Codes 1, 2, 5, 6, and 7 in the total. DoD Components shall identify denials separately for high-risk and low-risk items.

C6.9.2.1.2. Receipt Processing Performance. Complete as described in subparagraph C6.9.1.1.2. DoD goal for posting and storing ammunition receipt on-time is 90 percent.

C6.9.2.1.3. Record Reconciliation Program. Complete as described in subparagraph C6.9.1.1.3. DoD goals for location survey and location reconciliation for ammunition are 98 percent¹³.

C6.9.2.2. Physical Inventory Adjustments

C6.9.2.2.1. Physical Inventories

C6.9.2.2.1.1. Number of Scheduled and Unscheduled Inventories Completed. The total number of line-items inventoried (scheduled and unscheduled). Each SCC for a stock number at each storage activity is a line item.

C6.9.2.2.1.2. Number of Inventories with Variances. The total number of line items inventoried (scheduled and unscheduled) that had an inventory variance.

C6.9.2.2.1.3. Inventory Record Accuracy. Shows the percent of lines inventoried without an inventory variance. Compute this figure by dividing the lines with an inventory variance by the total lines inventoried and multiply by 100, and subtracting the result from 100 percent. The DoD inventory record accuracy goal for ammunition is 95 percent.

C6.9.2.2.2. Number of Inventory Adjustments from other than Physical Inventories. Complete same as subparagraph C6.9.1.2.2.

C6.9.2.2.3. Total Inventory Adjustments. Complete same as subparagraph C6.9.1.2.3.

¹³ The location reconciliation process will not be required with the establishment of a single shared asset balances (see paragraphs C6.2.2 and C6.2.4)

C6.9.2.2.4. Number of Reversals of Inventory Adjustments. Complete same as subparagraph C6.9.1.2.4.

C6.9.2.2.5. Monetary Value. Complete same as subparagraph C6.9.1.2.5.

C6.9.2.2.6. Gross Adjustments as a Percent of. Complete same as subparagraph C6.9.1.2.6.

C6.9.2.2.7. Total Record Imbalances as a Percent of. Complete same as subparagraph C6.9.1.2.7.

C6.9.2.2.8. Monetary Value of Location Reconciliation. Complete same as subparagraph C6.9.1.2.8.1.

C6.9.2.2.9. Monetary Value of End of the Day Processing. Complete same as subparagraph C6.9.1.2.8.2.

Table C6.T3. Minimum Research Requirements for Potential or Actual Physical Inventory Adjustments

CONDITION OF DISCREPANCY	REQUIRED RESEARCH		
	Post Count Validation	Pre-adjustment Research	Causative Research
1. $\leq \$1,000$	NO	NO	NO
2. $> \$1,000$ but $\leq \$5,000$ and ≤ 10 percent unit variance	YES	NO	NO
3. $> \$1,000$ but $\leq \$5,000$ and > 10 percent unit variance	YES	YES	NO
4. $> \$5,000$ but $\leq \$16,000$ and ≤ 25 percent unit variance	YES	YES	SAMPLE
5. $> \$5,000$ but $\leq \$16,000$ and > 25 percent unit variance	YES	YES	YES
6. $> \$16,000$	YES	YES	YES
7. Controlled Inventory Item	YES	YES	YES
8. Suspected Fraud, Waste, or Abuse	YES	YES	YES

C6.10. STORAGE ITEM CORRECTION.

C6.10.1. This section provides standard procedures required by ICPs to provide for the correction and/or updating of storage activity records when:

C6.10.1.1. Reported transactions indicate that the ICP and storage activity records are inconsistent.

C6.10.1.2. A catalog/stock list change is processed against an ICP record that will affect stock control data maintained at the storage activities.

C6.10.2. Item Correction **or Change**. Use DS 888I, to provide storage facilities with data record changes on items of supply. The **correction or change for storage item records** code entered in this transaction serves to provide information on the nature of the change, and actions to be taken.

C6.10.3. Storage Activity Action. Storage activities shall use the DS 888I to update stock records, item locator records, and bin tags.

C7. CHAPTER 7

INVENTORY ADJUSTMENT TRANSACTIONS

C7.1. GENERAL

C7.1.1. Adjustment/Change Procedures. This chapter provides procedures relating to the following types of adjustment and change actions:

C7.1.1.1. Adjustments caused by catalog change actions.

C7.1.1.2. Reidentification of improperly identified material.

C7.1.1.3. Offsetting adjustments to purpose and condition codes.

C7.1.1.4. Discrepancies disclosed by physical inventory.

C7.1.1.5. Ownership gains and losses applicable to Single Manger for Conventional Ammunition (SMCA).

C7.1.1.6. Accounting for material during maintenance.

C7.1.2. Adjustment Actions. Two methods are provided for effecting adjustments—single or dual actions.

C7.1.2.1. Single Adjustment. The single adjustment method accommodates processing techniques that use individual increase or decrease adjustment actions against the accountable and owner records. DS to Federal IC 947I, Warehouse Inventory Adjustment Advice, is used for these actions.

C7.1.2.2. Dual Adjustment. The dual adjustment method provides for offsetting adjustments to condition or purpose code in a single adjustment transaction. This is possible by using the FROM and TO in the N1 segments in DS 947I.

C7.1.2.3. Single Transaction Prescribed. When the DoD Component practice prescribes the use of single transactions of DS 947I internally for condition or purpose transfer, make provisions for acceptance and processing from other DoD Components.

C7.1.3. Ownership/Purpose Code Changes. Changes between ownership codes, from purpose code to ownership code, or from ownership code to purpose code, shall not be made by an adjustment action. Process appropriate issue and receipt transactions to make the necessary accounting actions. An exception to this rule is the use of the ownership change and inventory adjustment, DS 947I, and corresponding

single adjustments to accomplish ownership gain/loss under the SMCA concept (see section C7.3., below).

C7.1.4. Project Code Changes. Do changes in project or distribution codes using individual increase or decrease material adjustment transactions with DS 947I.

C7.1.5. Clerical/Automated Accounting Errors. Submit inventory adjustments, resulting from clerical or automated information system errors but which cannot be corrected by reversing the original transaction, or from reconciliation between the storage activity and the owner, using a DS 947I with Quantity or Status Adjustment Reason Code AB (Accounting Error).

C7.1.6. Nonspecific Inventory Adjustments. Use DS 947I, with Quantity or Status Adjustment Reason Code AH (Other), to accomplish an adjustment increase or decrease when a quantity or status adjustment reason code is not otherwise provided. (The DoD Components shall maintain detailed backup information as to use and requirement for the transaction.)

C7.1.7. Specific Inventory Adjustments. DS 947I with Quantity or Status Adjustment Reason Code AJ (Survey) shall be used to report inventory adjustments resulting from shrinkage, theft, contamination, deterioration, and expired shelf-life. Losses resulting from major disasters, fire, enemy action, acts of God, etc., will be identified by Quantity or Status Adjustment Report Code AI (Disaster).

C7.2. CHANGES IN CONDITION OF MATERIAL

C7.2.1. Condition Reclassification of Assets in Storage

C7.2.1.1. Reporting Classification Variance to Owners. When inspection of stocks on hand reveals that a condition reclassification is required, storage activities shall report the variance to the owner within 3 calendar days using DS 947I with Quantity or Status Adjustment Reason Code AC (Condition Change) and Inventory Transaction Type Code AD (Inventory Adjustment - Decrease) and AJ (Inventory Adjustment - Increase) for the affected condition codes.

C7.2.1.2. Changing Condition Code to J. When immediate reclassification of suspect stocks is beyond current capabilities, transfer the material to SCC J. DS 947I must contain both the new and old SCC of the material and the offsetting inventory adjustments.

C7.2.1.2.1. Timing. With the exception of ammunition, complete the material reclassification within 90 calendar days after reporting the change to the owner. Complete the reclassification of ammunition within 270 calendar days after reporting the change.

C7.2.1.2.2. Reporting. When the reclassification is complete, report the change to the owner using *DS 947I* change and adjustment transaction. Use the same transaction reference number used to report the material in SCC J.

C7.2.2. Reclassification of Condition Q Product Quality Deficiency Related Material

C7.2.2.1. Storage Activities shall report discrepant receipts in SCC Q as prescribed by Chapter 13 receipt processing procedures. When directed by the owner, storage activities shall also transfer stored, including suspended, material to SCC Q and report the action using DS 947I following subparagraph C7.2.1.1.

C7.2.2.2. When inspection or technical/engineering analysis of material confirms a product quality deficiency, possibilities for other use of the material within the Department of Defense, as well as public health/safety and national security interests, must be considered. Owners shall determine if further use of the item can be made within the Department of Defense.

C7.2.2.3. When inspection of technical/engineering analysis of material indicates that litigation action is required, the owner shall direct transfer of the material to SCC L.

C7.2.2.4. If the deficiency does not prohibit further DoD use (i.e., the defect is minor or the item meets specifications for another NSN), owners shall direct storage activities to reidentify and/or transfer the suspended SCC Q material to the appropriate condition. Storage activities shall, within 3 calendar days from receipt of the ICP direction, reclassify the SCC Q material to the appropriate condition. Report completion of this action with DS 947I, using the same document number originally used to report the material in SCC Q (i.e., the document number of the original receipt or adjustment transaction). For reidentifications, storage activities shall follow section C7.7. procedures.

C7.2.2.5. If the deficiency prohibits further DoD use, the material shall remain in SCC Q and owners shall direct transfer of the material to DRMOs following Chapter 16 procedures. Improperly documented, unauthorized source, defective, non-repairable, and time-expired Aviation CSI/FSCAP material that is not mutilated by the holding activity shall be directed to the DRMO in SCC Q with Management Code S. All such material shall be mutilated. When turning such Aviation CSI/FSCAP into a DRMO, the turn-in document must be clearly annotated that the part is defective, non-repairable, time-expired, or otherwise deficient and that mutilation is required.

C7.2.3. Reclassification of Condition L Receipts

C7.2.3.1. Storage Activity Reporting. Storage activities shall report discrepant receipts from procurement and material held pending resolution of a transportation discrepancy in SCC L as prescribed by Chapter 13. When directed by the owner (see paragraph C7.2.7., below), storage activities shall also transfer material to SCC L and report the action using DS 947I following paragraph C7.2.1. procedures.

C7.2.3.2. Material Owner Responsibilities. Owners are responsible for monitoring material suspended in SCC L and directing change of the material to its correct condition when litigation or other action to resolve the discrepancy is completed using DS to Federal IC 846A, Inventory Inquiry Advice (Asset Reclassification), request in

accordance with paragraph C7.2.7. If inspection or technical/engineering analysis confirms that a product quality deficiency prohibits further use of the material within the Department of Defense, the owner shall direct transfer of the material to SCC Q.

C7.2.3.3. Reclassification Procedures. When directed by the owner, storage activities shall, within 3 calendar days from receipt of an asset reclassification request, reclassify the suspended material to its correct SCC. Report completion of action with DS 947I using the same transaction reference number originally used to record the material in SCC L (i.e., the transaction reference number of the original receipt or inventory adjustment transaction). See paragraph C7.2.7. for asset distribution depot reclassification denial procedures when requested reclassification action cannot be done.

C7.2.4. Reclassification of Condition K and R Receipts

C7.2.4.1. Suspension of Material. Under Chapter 13 processing procedures, storage activities may suspend material in SCC K upon receipt for SCC determination. Storage activities may also receive material identified as SCC R (suspended) from reclamation activities that lack the capability to determine the material condition.

C7.2.4.2. Storage Activity Actions. Storage activities shall reclassify these suspended receipts to their correct condition within the timeframes prescribed in the following subparagraphs. When material has been reclassified to its correct condition, send DS 947I to the owner using the same transaction reference number cited in the original receipt transaction.

C7.2.4.2.1. Reclassification of Material. With the exception of ammunition, reclassify material reported in SCC K within 10 calendar days after reporting the receipt; reclassify ammunition within 45 calendar days after reporting the receipt.

C7.2.4.2.2. Material Received from Reclamation. When material identified as SCC R is received from reclamation activities, reclassify the material within 180 calendar days after reporting the receipt or prior to induction into maintenance facilities for repair/modification, whichever is sooner.

C7.2.4.2.2.1. No Asset Test Capability. When the capability to test/check SCC R assets for actual condition does not exist, the material may be forwarded to a maintenance facility for condition determination.

C7.2.4.2.2.2. Property Accountability Records. The actual condition of assets must be recorded on the owner record before the assets may be included in a scheduled maintenance program.

C7.2.4.3. Automatic Disposal of Reclassified Stock. When material is reclassified to SCC H, storage activities may also, based on criteria promulgated by the DoD Components, automatically turn condemned and expired shelf-life material into DRMS or take other authorized automatic disposal action. Tell the owner of such simultaneous reclassification and automatic disposal action by entering Management Code M (material condemned--excludes expired shelf-life material) or Management Code

T (material condemned--expired shelf-life material) in the inventory adjustment transaction.

C7.2.5. Exceptions to Prescribed Timeframes for Condition Reclassification – Request for Reclassification Extension

C7.2.5.1. Requesting Extensions to Suspenses. When additional time is needed to reclassify material held in SCC J, K, or R, because of large quantities, lack of facilities, nonavailability of personnel and/or test equipment, or other circumstances considered justified by the storage activity commander, the storage activity shall forward DS 846A, extension request to the owner.

C7.2.5.1.1. Approval of Extension Requests. When appropriate, the owner shall approve the extension request, notify the storage activity, and establish a suspense to ensure that classification action is taken within the agreed upon timeframe.

C7.2.5.1.2. Extension Response Transaction. If the owner does not approve the request for extension, the storage activity shall make every effort to comply with the established timeframe.

C7.2.5.2. Reclassification. Owners may submit DS 846A in accordance with paragraph C7.2.7. to request hastened reclassification of SCC J, K, and R assets whenever it is deemed necessary based on their stock position and overall management responsibility.

C7.2.6. Monitoring Assets Recorded in Suspended SCCs

C7.2.6.1. Condition J, K, and R. Owners shall review records for all material suspended in SCC J, K, and R at least monthly and ensure that storage activities do reclassification actions within prescribed timeframes.

C7.2.6.2. Condition L. Although there is no prescribed timeframe for transferring suspended material from SCC L, owners shall review all records for material suspended in SCC L at least quarterly and will take necessary action to ensure expeditious litigation/negotiation with contractors or common carriers.

C7.2.6.3. Condition Q. Although there is no prescribed timeframe for transferring suspended material from SCC Q, supply sources shall review all records for material suspended in SCC Q at least monthly. Supply sources will take necessary action to ensure expeditious inspection or technical/engineering analysis of suspect assets and prompt transfer of assets, under paragraph C7.2.2., based on the inspection results.

C7.2.7. Asset Reclassification Request, Inquiry, and Response

C7.2.7.1. DS 846A Procedures. This section prescribes standard procedures for use of DS 846A for asset reclassification request, inquiry and denial transactions.

Procedures for using DS 846A for extension request and response transactions are addressed in paragraph C7.2.5.

C7.2.7.2. Owner Responsibilities. As discussed in paragraph C7.2.6, owners are responsible for monitoring assets in suspended SCCs. Owners use DS 846A to request that the distribution depot effects reclassification of assets to and from suspended SCCs. Reasons for making a reclassification request include: a requirement to expedite reclassification action; resolution of a suspension (e.g., completion of litigation or technical inspection); and that the timeframe for reclassification action has expired and the owner did not receive a corresponding adjustment, reclassification denial, or request for an extension transaction from the depot.

C7.2.7.3. Distribution Depot Actions. In response to a reclassification request, the distribution depot will take action to reclassify the material in the timeframe specified and provide a DS 947I transaction to the owner. If the distribution depot is not able to effect the reclassification action, the depot will submit a DS 846A denial citing the appropriate management code to explain the reason for the denial. If the reclassification action cannot be accomplished in the timeframe specified, the depot will request an extension in accordance with paragraph C7.2.5.

C7.2.7.4. Owner Use of DS 846A. Owners use the DS 846A inquiry to the depot for the status of a previously submitted reclassification request when the owner did not receive a corresponding DS 947I transaction or DS 846A denial. In response to an inquiry when the corresponding adjustment transaction was previously provided, the depot will resubmit the DS 947I. (NOTE: DLMSO is staffing a proposed DLMS change to assign a new management code for this purpose.)

C7.3. OWNERSHIP GAINS AND LOSSES

C7.3.1. Change of Ownership. Based on unique requirements of the SMCA and the DoD Components, authorized by DoD Directive 5160.65, separate inventory adjustment transactions have been developed to permit:

C7.3.1.1. Keeping integrity of the document number from the requisitioner's original demand throughout total processing, when payback actions are necessary.

C7.3.1.2. On-line recording and reconciliation of material debit and credit balances of the SMCA and affected DoD Components.

C7.3.1.3. The DoD Components to have an audit trail when their accountable/financial records are affected.

C7.3.2. Payback of SMCA Items. DS 947I is used to accomplish paybacks of SMCA items from one owning DoD Component to another DoD Component, in accordance with DoD policy and inter-DoD Component agreements. The SMCA initiates DS 947I for processing internal adjustments to custodial/accountable records and for notification of SMCA storage activities. The use of the M modifier, to express thousands when the quantity exceeds 99,999, is a optional feature that can be applied intra-DoD Component and, by agreement, inter-DoD Component. M modifiers are only applicable to ammunition items in FSG 13.

C7.4. PURPOSE OF TRANSFERS. Based on authorized programs, material may be reserved for specific purposes and kept on inventory control records until requisitioned. To accomplish transfer of assets between purpose codes, DS 947I shall be processed against the property accountability records.

C7.5. INVENTORY GAINS AND LOSSES. Procedures concerned with adjustments due to physical inventory losses or gains are contained in Chapter 6.

C7.6. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE

C7.6.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity (s) other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C7.6.1.1. Applicable Maintenance Actions These procedures apply to transfers of inventory to SCC M for maintenance, assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation, and transfer to their correct condition classification upon return from maintenance..

C7.6.1.2. Exclusions. These procedures exclude repair and return of material owned below the wholesale distribution system. However, storage activities shall keep visibility and the property accountability record for these assets pending transfer to maintenance and upon their return from maintenance..

C7.6.2. Requirements

C7.6.2.1. Organic Maintenance. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify material control requirements to include whether the storage activity will report returns from maintenance to the owner (Principal) transfers from SCC M under this section or in accordance with procedures in Chapter 14).

C7.6.2.2. DoD Component Actions. Each DoD Component shall ensure that:

C7.6.2.2.1. Owned Inventory. The DoD Components shall ensure owned inventory in the hands of DoD, other Government (non-DoD), and commercial activities is properly accounted for under provisions of Chapters 6, 7, 12, 13, and 14 of this manual and, for commercial maintenance, the provisions of the FAR. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet these requirements (Responsibility of the owner (Principal for maintenance by DMISA)).

C7.6.2.2.2. Total Item Property Records. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of items actually **returned and will support** the DoD 7000.14-R financial accounting requirements. (Responsibility of the owner (Principal for maintenance by DMISA)).

C7.6.2.2.3. Commercial Maintenance Contracts. Contracts for commercial maintenance require the reporting of material loss or damage to the contracting officer. Contracts may also require the contractor to report the start and completion of maintenance action for each unit of material. (Responsibility of the Agent for maintenance by DMISA)).

C7.6.2.2.4. Procurement and Supply Interface. Any needed interface between the procurement and supply operations/functions exists to ensure reported data is sent to the owner. (Responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to these activities using supply procedures.

C7.6.2.2.5. Inventory Balances. Reported data affecting inventory balances is recorded on the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA).)

C7.6.2.3. Storage Activity Actions. Storage activities shall report the following actions to the owner of the material. In the DoD Component systems, not using dual adjustment transactions, use the corresponding DS 947I single adjustment.

C7.6.2.3.1. When material is inducted for maintenance (repair/modification, assembly, etc.), process DS 947I dual adjustment to transfer material from the SCC on the record to SCC M.

C7.6.2.3.2. When material is returned from maintenance (repair/modification, assembly, etc.), process DS 947I dual adjustment to transfer material from SCC M to the SCC in which the material is received (i.e., SCC A for completed material, SCC G for material awaiting repair parts, or SCC H for condemned material). In the DoD Component systems which do not use the dual adjustment, process the equivalent loss and gain transactions to do the transfer.

C7.7. REIDENTIFICATION OF STOCK, STOCK NUMBER CHANGES, AND UNIT OF ISSUE CHANGES

C7.7.1. Reidentification of Stock

C7.7.1.1. Reporting Misidentification. When inspection shows an item in stock has been misidentified, storage activities shall send DS 947I to the owner. The transaction shall contain the misidentified stock number, the quantity misidentified (Quantity or Status Adjustment Reason Code AE (Reidentification)), and Suffix Code A.

C7.7.1.2. New Stock Number Reporting. When one new stock number is picked up due to reidentification, the DS 947I shall contain the same transaction reference number as the original transaction, identified stock number, quantity of the identified stock number using (Quantity or Status Adjustment Reason Code AE (Reidentification)), and Suffix Code B.

C7.7.1.3. Adjusting Inventory. When more than one new stock number is picked up due to reidentification, an additional DS 947I for each newly identified stock number shall be prepared and sent. The additional inventory adjustment transaction(s) shall be prepared in the same manner as the second transaction except that the suffix codes will progress to C, D, etc., as each transaction is prepared. The suffix codes in the second and ensuing transactions will serve to correlate the transactions to the misidentified stock number.

C7.7.1.4. Owner Processing. The owner/IMM and storage activity shall process DS 947I against their inventory control records to cause the decrease under the incorrectly identified stock number and increase(s) against the correct stock number(s).

C7.7.2. Stock Number and/or Unit of Issue Changes

C7.7.2.1. Stock Number Change Only. When only a stock number change occurs, the owner/IMM prepares and processes DS 947I containing the old and new stock numbers (Quantity or Status Adjustment Reason Code AF (Stock Number Change)) and the associated inventory adjustment increase and decrease

C7.7.2.2. Unit of Issue Change Only. When only a unit of issue change occurs, the owner/IMM prepares and processes DS 947I containing the old and new units of issue (Quantity or Status Adjustment Reason Code AN (Unit of Issue Change)) and the associated inventory adjustment increase and decrease.

C7.7.2.3. Simultaneous Change. When a simultaneous stock number and unit of issue change occurs, the owner/IMM prepares and processes DS 947I containing the old and new stock numbers and units of issue (Quantity or Status Adjustment Reason Code AF and AN), and the associated inventory adjustment increase and decrease.

C7.8. CONDITION CHANGES FOR ITEMS BEING REPORTED/TURNED IN TO DRMS

C7.8.1. Material Turn-In. When material is not identified by an NSN and is actually scrap, the DoD Components may prescribe that it be classified in SCC S for turn in to DRMOs. Otherwise, only material recorded on property accountability records in SCC A through H and SCC Q shall be reported or turned in to the DRMO.

C7.8.2. Excess Material. When excess, serviceable, or unserviceable material is classified in SCC J, K, L, M, N, P, or R, the DoD Components must initiate action to reclassify the material to an acceptable SCC (A through H, Q, or S) before preparing the turn-in documentation. Section C7.2 contains the material reclassification procedures.

C7.8.3. Improper SCC. Activities not reporting or turning in material to DRMOs in an appropriate SCC shall risk having the material rejected/returned by the DRMO for proper classification.

C7.8.4. DRMO Actions. DRMOs shall use the disposal condition codes to accurately describe the physical condition of the material based on its inspection at time of receipt. DRMOs shall record both supply and the disposal condition codes, and will show both codes as management data for reutilization program screening and review. Within the DRMO process, Disposal Condition Code S is assigned for "property with no value except for its basic material content." Consequently, Disposal Condition Code S may be assigned by DRMOs to material with or without NSN identification.

C8. CHAPTER 8

MATERIAL OBLIGATION VALIDATION (MOV)

C8.1. SUPPORT OF UNITED STATES FORCES

C8.1.1. General

C8.1.1.1. Purpose. This chapter prescribes policies and procedures for the validation by organizations of the continuing need for overage requisitioned requirements and for the reconciliation of supply source material/obligation records with the due-in records of requisitioning activities. The MOV process is twofold: (1) validation of need; and (2) reconciliation of records.

C8.1.1.2. Material Obligation Definition. A material obligation is that unfilled portion of a requisition (for a stocked or nonstocked item) that is not immediately available for issue but is recorded as a commitment for future issue, either by **DVD** or backordered from stock. This includes both NSN and non-NSN items. MOV pertains to those requisitioned items assigned Status Code BB, BC, BD, BV, and BZ. These procedures exclude DVD requisitions assigned Status Code BV and BZ from the automatic MOV cancellation process; however, organizations must submit requisition cancellations for material no longer required. See **Chapter 4** for the requisition cancellation procedures.

C8.1.1.3. Use of DS 517M. Supply sources use the DS to **Federal IC 517M**, Material Obligation **Validation**, to generate MOV requests to organizations for a comparison and validation of the continued requirement of outstanding requisitions held as material obligations by the supply source with those carried as due-in by the organization.

C8.1.1.3.1. MOV Response. Organizations use the DS **517M**, to generate MOV responses to advise the supply source: (1) to hold a material obligation until supplied, or (2) to cancel all or a portion of a material obligation.

C8.1.1.3.2. MOV Notification. Supply sources must provide an MOV notification of non-response to organizations for each nonresponse to an MOV cycle for requisitions assigned Status Code BZ. The organization must conduct an item-by-item review and respond with a requisition cancellation if the material is not **required**.

C8.1.1.4. Supply Source Definition. A supply source is defined as **the** DoD Component organization that maintains material obligation records, and includes, but is not limited to, those organizations commonly referred to as ICPs, IMM, requisition processing points, **SCAs**, and stock points.

C8.1.1.5. Organization Definition. An organization is defined as a requisitioner, control office, and/or monitoring activity having the responsibility to validate and/or reconcile material obligation records between the requisitioning activity and the supply source requesting the validation.

C8.1.2. Material Obligation Reinstatement Request. This is a request by an organization to reinstate requisition(s) previously canceled due to that organization's nonresponse to an MOV request. Use DS **517M**, to reinstate previously canceled requisition(s).

C8.1.3. Exclusions

C8.1.3.1. FMS transactions are excluded from these procedures; however, the DoD Components should reconcile FMS material obligation records at the supply source with those of the organizations required to maintain FMS case control. MOV procedures for GA transactions **are in section C8.2., below**.

C8.1.3.2. **Civilian Component activities are excluded** unless covered by inter-**Component** agreements.

C8.1.4. Material Obligation Age Criteria

C8.1.4.1. Timeframe. Material obligations **are** overaged and subject to these procedures when PD 01-08 requisitions have aged 30 **calendar** days past the requisition date or PD 09-I5 requisitions have aged 75 calendar days past the requisition date.

C8.1.4.2. Special Validations. Supply sources may order special validations without regard to the age of the material obligations involved.

C8.1.4.3. Long Production Lead Time. These procedures also apply to long production lead time items since requirements for such items may also change as a result of unit/force movements, deactivation, and other population changes; however, only item managers may elect to establish longer intervals for the validation of long production lead time items.

C8.1.5. Schedule for Cyclic Validation of Material Obligations

C8.1.5.1. Annual Schedule. The annual schedule of cyclic validations in support of U.S. Forces and the prescribed MOV response times is **shown in table C8.T.1.:**

Table C8.T1. MOV Cyclic Validations Schedule

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	MAXIMUM ENDING DATE BY WHICH REQUISITIONER RESPONSES ARE DUE BACK TO SUPPLY SOURCE
1	20 January	5 March
2	20 April	5 June
3	20 July	5 September
4	20 October	5 December

C8.1.5.2. Response Not Within Scheduled Timeframe. Deployed units, afloat units, and CONUS)/OCONUS locations that are unable to **acknowledge receipt, or** respond by the prescribed date, may **request** DAASC to **temporarily** provide responses to MOV requests. Use DS **517M**, with Transaction Type Code **AP** and Action Code 9 to notify the DAASC of the organizations authorized for the MOV exemption. The theater/fleet commander or major command must approve the MOV exemption request **by message to DAASC**. The exemption request is only authorized for the current MOV cycle. **DAASC shall** not generate MOV responses for any **later** MOV cycle unless a separate exemption request **approval** is received.

C8.1.5.3. Quarterly Reporting. Each DoD Component must provide a quarterly consolidated report to the Assistant Deputy Under Secretary of Defense for Supply Chain Integration (ADUSD SCI) using the **Appendix 1** format. Submit this report within 30 **calendar** days after the close of each MOV cycle. The RCS for this report is DD-P&L(Q)1064. The supply source **shall** review the history file, prior to preparing the report, for those transactions in which the quantity response was different from the quantity requested. This review **shall** determine if the quantity difference resulted from a shipment, a cancellation, or if the requisitioner actually requested cancellation of the obligation. Only cancellations actually requested by the requisitioner using the MOV response **are** included in the MOV report. Do not report a difference in quantity resulting from any other cause and/or process.

C8.1.5.4. Special IMM Requests. The IMM may initiate a special validation request. For example, the IMM may need to validate requirements for high dollar value, critical items, or for those NSNs **that** have the largest number of material obligations on record or account for certain percentages of the total material obligations. These special validations should be selective in approach and may be made regardless of whether the material obligations were previously validated. The IMM may determine and define critical items as those essential items **that** are in short supply or expected to be in short supply for an extended period.

C8.1.6. Preparation of Special Validation Requests

C8.1.6.1. Purpose. Use DS **517M**, to request a special MOV at times other than the normal MOV cycles indicated in table **C8.T1**, above. Organizations **shall** validate the special MOV and use DS **517M** in response to the special MOV request.

C8.1.6.2. Transaction Reference Number. The MOV request must identify the transaction reference number of the demand which is held as a material obligation, the unfilled quantity, and a response due date which is always 15 calendar days from the date of the MOV request.

C8.1.6.3. Urgent Requests. Due to the urgency of demands for critical items, IMMs may determine that supply of current demands should be accomplished from stocks due-in, against which there are material obligations of lesser or equal priorities. In these instances, the IMMs would initiate a special MOV request.

C8.1.7. Performance of the Validation and Reconciliation

C8.1.7.1. Mandatory Request. **The** recipient of validation requests (either scheduled or special) **must** conduct an item-by-item review with the user to determine the continued need for each item, the quantity involved, and the PD of the requirement. **Routine** responses that all material obligations are still required **are to be avoided**. Such cursory reviews do not improve supply support. Items that are identified in the requests, but are not contained on the records of the recipient of the request, **shall** also be sent to the user for validation. Items that are contained on the records of recipients of the validation requests and meet the overage criteria, but are not covered by a request, shall be validated with the user.

C8.1.7.2. Recipient Response. The recipient of validation requests **shall** match the items recorded as material obligations at the supply source with the records of unfilled demands to determine and take action to bring the two records into agreement.

C8.1.7.3. Status Request. Organizations may request status of any outstanding items, having met the age criteria, and not included with the scheduled validation requests. When such status is desired, the organization **shall** submit DS to **Federal IC** 869A, Requisition Inquiry/Supply **Assistance**, to the supply source. (See Chapter 4 for the requisition inquiry procedures.)

C8.1.8. Responses to Material Obligation Requests

C8.1.8.1. Purpose. Use DS **517M**, to respond to special MOV requests. **MOV** responses **shall** contain the transaction reference number of the demand as contained in the MOV request, the quantity required for continuation as a material obligation, and the suffix, if applicable. The MOV responses **shall** advise the supply source whether material obligations should be canceled or requirements still exist (and

the item should be continued as a material obligation). Respond to the special MOV requests in time to meet the requested MOV response due date.

C8.1.8.2. Response to Requests for MOV. Upon completing the validation /reconciliation process, organizations must send an MOV response for each MOV request received to the supply source **that** submitted the MOV request. Submit the MOV response by the MOV response due date cited in the MOV request. Use the MOV response to advise the supply source of the quantity still required for supply action. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.1.8.3. Revised Delivery Date. Whenever a requirement is to be retained as a material obligation and the PD/RDD/RDP changes due to reassessment of requirements, submit a DS **to Federal IC 511M, Requisition Modification**, to indicate the revised PD/RDD/RDP. (See **Chapter 4** for the requisition modifier procedures.)

C8.1.8.4. DAAS Initiated Responses

C8.1.8.4.1. Exempted Activities. DAAS uses DS **517M**, to provide MOV responses for authorized activities exempted from participating in an MOV cycle.

C8.1.8.4.2. DAAS Response. **DAAS** provides appropriate MOV responses to the respective supply source for each MOV exemption received. DAAS **shall** send the MOV response no earlier than 7 calendar days after receipt of the MOV exemption, but no later than the last day of the cycle.

C8.1.8.4.3. MOV History File. **DAAS** uses the MOV history file to generate appropriate MOV responses for the activity(ies) identified in the MOV exemption.

C8.1.8.5. Receipt of Confirmed Cancellations. Organizations in receipt of confirmed cancellations may request reinstatement of their canceled requisitions for a period not to exceed 60 calendar days after the BS status transaction date. Use **DS 517M**, to request the reinstatement of canceled requisitions and indicate the quantity required. The quantity reinstated may be equal to or less **but not more** than the quantity **canceled**.

C8.1.9. Supply Source Cancellation of Material Obligations

C8.1.9.1. Procedures to Stop Cancellation Actions. Supply sources must **use** Chapter 4 **procedures** to stop storage and transportation actions when accomplishing cancellations resulting from the MOV program.

C8.1.9.2. Cancellation Criteria. Supply sources **shall** cancel material obligations when an organization has not responded to the scheduled MOV request by the MOV response due date, except for requisitions in Status Code BV or BZ. Requisitions being filled by DVD (Status Code BV and BZ) are excluded from automatic

cancellation of the MOV process. When a response to an MOV request has not been received by the response cutoff date for a requisition in BZ status, the supply source **shall** send DS **517M**, Transaction Type Code AP, and Action Code 9 to the validating organization. The organization must validate the requirement or respond with a requisition cancellation if the material is not required. See **Chapter 4** for the requisition cancellation procedures.

C8.1.9.3. Cancellation Upon Request. Supply sources **shall** cancel material obligations upon receipt of requisition cancellation **requests**. When there is no record of the item as a material obligation, match the MOV response with the requisition history file (RHF) to determine the **item's status**. If the item is **being processed**, **take** action to stop the flow of the unneeded material. All supply sources **shall try to meet** the DoD objective of taking all possible action to prevent shipment from the depot, port of embarkation, or vendor (in the instance of purchase actions). Based on action taken, supply sources **shall** provide requisitioning organizations with appropriate supply or shipment status.

C8.1.9.4. Cancellation Status. Supply sources **shall** send DS to Federal IC 870S, Supply **Status**, with Status Code BR or BS to the organizations for which MOV requests were submitted for each item canceled as a result of the validation actions.

C8.1.9.5. Verification from Requisitioner. Supply sources may contact requisitioning organizations to determine desired actions applicable to erroneous response transactions, if time permits. Should time not permit the supply source to contact the requisitioning activities, the items concerned with the erroneous transactions, shall be retained as a material obligation until clarification is obtained.

C8.1.9.6. Response. The DoD Component of the organization initiating a cancellation request, or failing to respond to MOV requests, **shall** be charged with (1) transportation costs for returning the material to depot storage, and (2) procurement and termination costs when it is determined that termination is in the best interest of the Government. Specific instructions concerning material transportation charges **are** in **the DTR**, and credit allowances are in **Volume 5, Finance**.

C8.1.10. Supply Source Material Obligation Reinstatement

C8.1.10.1. Timeframe. Supply sources **shall** reinstate action on requisition(s) when organizations submit MOV reinstatement requests within 60 calendar days of requisition cancellation citing Status Code BS. Reinstatement the requisition for the quantity equal to or less than the original canceled quantity. If the quantity is greater than the quantity canceled by the Status Code BS, only reinstate the quantity in the BS status. Reject the quantity exceeding the BS quantity. Use Status Code BS to prepare the MOV reinstatement request to ensure identification of the correct suffix.

C8.1.10.2. Supply Source Codes. Supply sources **shall** use Status Code DK, DL, and DM to reject MOV reinstatement requests received over 60 calendar days after the BS status transaction date, **or when** there is no record of the BS status, or when the MOV reinstatement request is for a quantity larger than the canceled quantity.

C8.2. **MILITARY ASSISTANCE PROGRAM/GRANT AID**

C8.2.1. General. Section two prescribes policies and procedures for the validation of ICP material obligation records with the records of **the DoD Component** ILCO maintaining SAO program control and for the validation of the continuing need at the MAP/GA country level for overage demands. The purpose is twofold: (1) the reconciliation of records and (2) the validation of need.

C8.2.2. Annual Validation Schedule. The annual schedule of cyclic validation in support of MAP/**GA** material obligations is shown in table **C8.T2**.

Table C8.T2. Cyclic Schedule for MOV in Support of the MAP/GA

CYCLE NUMBER	CUTOFF OF SUPPLY SOURCES TO PREPARE AND FORWARD VALIDATION REQUESTS	MAXIMUM ENDING DATE BY WHICH REQUISITIONER RESPONSES ARE DUE BACK TO SUPPLY SOURCE
1	31 January	31 May
2	31 July	30 November

C8.2.3. Aged Material Obligation Requests. Supply sources **shall** provide the ILCO with MOV requests applicable to aged material obligations for MAP/GA requirements. MOV requests **shall** be sent to the ILCO by the supply sources using schedules for validating aged MAP/GA material obligations established by the Deputy Under Secretary of Defense (Logistics & Materiel Readiness)[DUSD(L&MR)].

C8.2.4. Material Obligation Definition. Material obligations are defined as that portion of the quantity requisitioned which is not immediately available for issue to the requisitioners and/or is recorded as a commitment for future issue of stocked items. This includes commitments for DVDs. The supply source **shall** produce MOV requests from their records of material obligations for which the requisition transaction reference number dates are aged to 180 calendar days or more at the time of the established validation cutoff. Material obligations selected for validation meeting the 180-day age criterion are those assigned Status Code BB, BC, BD, or BV. The quantities identified in the MOV requests reflect the unfilled quantities only of items maintained as material obligations at the supply sources. Use DS **517M**, to prepare MOV requests.

C8.2.5. Supply Source Request Timeframe. Supply sources **shall** send scheduled MOV requests not later than 10 calendar days after the established cutoffdate.

C8.2.6. Accomplishing **MOV** by the Army and Air Force **ILCOs**

C8.2.6.1. Item/Request Matching. The ILCO **receiving** MOV requests **shall** match the items indicated as being on record at the supply source with its records of unfilled demands and provide the MOV requests **to** SAOs that represent quantities/items as follows:

C8.2.6.1.1. In the MOV requests received from the supply source, (the ILCO **shall** not attempt to adjust quantity differences between the ILCO record and the supply source record.)

C8.2.6.1.2. On the ILCO record, having reached the validation age criterion and not included with MOV requests furnished by the supply source. The ILCO **shall** adjust their records based upon the MOV responses received from SAOs.

C8.2.6.2. Program Originator Codes. The **DoD Components** may elect to have their ILCO identify the program originator code **in** MOV requests transmitted to SAOs for validation. The identification of this code will enable the SAO to determine the specific section to which to direct the MOV requests. In these instances, use the following codes:

Table C8.T3. Program Originator Codes

CODE	PROGRAM ORIGINATOR
B	SAO (Army)
P	SAO (Navy)
D	SAO (Air Force)
K	SAO (Marine Corps)

(Do not include these codes in MOV responses **that** are sent to the supply source.)

C8.2.6.3. Transmitting Requests. Transmit the MOV requests to the appropriate SAO not later than 45 calendar days after the scheduled cutoff date. The time between the cutoff date and the 45 calendar days for transmitting the MOV requests **to** SAOs allows:

C8.2.6.3.1. Transmission of the MOV requests from the supply source to the ILCO.

C8.2.6.3.2. ILCO establishment of suspense records of the supply source request quantities and preparation of MOV requests for transmission to the SAOs. **SAOs shall** provide MOV response to the ILCO within 90 calendar days after the cutoff date for the validation cycle.

C8.2.7. Accomplishing **MOV** by the Navy **ILCOs**

C8.2.7.1. Item/Record Matching. The Navy ICP (NAVICP) **shall** match the items indicated as being on record at the supply source with its records of unfilled demands and effect a file reconciliation. **NAVICP shall** send MOV responses for each MOV request received to the supply source having submitted the validation requests. The supply source **shall** use the MOV response to determine whether the items should be canceled or requirements still exist and the items should be continued as material obligations

C8.2.7.2. Response Timeframe. Send MOV responses to validation requests to supply sources by 15 March for the first cycle and 15 September for the second cycle. Indicate the quantity still required in the MOV response. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.2.7.3. Inquiries. Submit a requisition inquiry for items outstanding on NAVICP records for which no MOV reconciliation request was received from the supply source. See Chapter 4 for the requisition inquiry procedures.

C8.2.8. Navy **ILCO** Initiation of Reconciliation and/or Validation with SAOs

C8.2.8.1. Annual Request Submission. Annually, on 16 September, the NAVICP **shall** prepare MOV reconciliation requests which represent unfilled requisitions with dates of 31 July or earlier.

C8.2.8.2. Program Identification. **NAVICP shall** identify the program originator code in the MOV reconciliation requests sent to SAOs for validation. **SAO shall** use this code to determine the specific section to which to direct the requests. **In these instances, the codes in Table C8.T3., above apply.**

C8.2.8.3. MOV Transmission. **NAVICP shall** send the MOV reconciliation requests to the appropriate SAO not later than 26 September and indicate 31 October as the response due date.

C8.2.9. Validation of Requirements by the **SA** Organizations

C8.2.9.1. Verifying Existing Requirements. **SAOs** receiving **MOV** requests **shall** determine whether requirements for the items and quantities still exist. **SAOs shall** also determine whether requirements exist for items/quantities, having reached the age criteria and not included with the MOV requests. **Once validation is**

completed, **SAOs shall** adjust their records to **show** the country **needs** for the items/quantities.

C8.2.9.2. Item Status Request. **SAO shall** request status of any items **that** are outstanding, having met the age criteria and not included in the MOV requests. When such status is required, **SAO shall** submit a requisition inquiry to the appropriate ILCO. See Chapter 4 for the requisition inquiry procedures.

C8.2.9.3. Response for Each Reconciliation Request. **SAO shall** provide an MOV response for each MOV reconciliation request, as appropriate, to indicate the remaining quantity of each item **is** still required. The SAO **shall** send MOV responses to the appropriate ILCO. For the U.S. Army Security Assistance Command and the Air Force Security Assistance Center, send these responses to arrive no later than the date specified in the transmittal, which is 35 calendar days prior to the response due date contained in the requests. For NAVICP, these responses must be received no later than 31 October.

C8.2.10. Response to **MOV** Requests by the Army and Air Force **ILCOs**

C8.2.10.1. Record Adjustment. Upon receipt of the responses **from** SAOs, the ILCO **shall** adjust its records to agree with the country's requirements indicated by the MOV responses. ILCO **shall** then send MOV responses for each MOV request received from the supply source having submitted the validation requests. The supply source **shall** use the MOV response to determine whether the items should be canceled or requirements still exist, and the items should be continued as material obligations. Provide MOV responses to the supply source by the response due date indicated in the MOV requests. Response due date is established as the 125th calendar day following the cutoff date for validation. MOV requests **shall** indicate the cutoff date.

C8.2.10.2. Quantity Remaining Required. **ILCO shall** indicate the quantity still required in the MOV response. If total cancellation is desired, do not include the quantity segment in the MOV response.

C8.2.10.3. Outstanding Items. **ILCO shall** submit a requisition inquiry for items outstanding on the ILCO records, indicated as required by SAO, and for which no MOV request was received from the supply source. See **Chapter 4** for the requisition inquiry procedures.

C8.2.11. Navy **ILCO** Action on **SAO** Responses

C8.2.11.1. Record Adjustment. Upon receipt of the responses from SAOs, the NAVICP **shall** adjust its records to agree with country requirements as indicated by the MOV responses. NAVICP **shall** send requisition cancellations to the supply source on those unshipped lines for which the SAO indicated a reduced quantity requirement. **NAVICP shall** initiate action to resolve the unreconciled lines for which the SAO

indicated a requirement. **NAVICP shall** send the appropriate supply and shipment status **to** SAOs.

C8.2.11.2. Requisition Cancellation. By 30 November, **NAVICP shall** prepare and send a requisition cancellation to the last known source processing the corresponding requisition. See **Chapter 4** for the requisition cancellation procedures.

C8.2.11.3. Record of Confirmed Cancellations. **NAVICP shall** keep a record of confirmed cancellations received in response to requisition cancellations submitted as a result of reduced quantity requirements indicated by SAOs.

C8.2.11.4. Quantity Reduction Reconciliation. **NAVICP shall** prepare a report of the number of lines reconciled with the SAO, the number and value of SAO requested quantity reductions, and the number and value of confirmations received as of 31 December. NAVICP shall send two copies of this report to the appropriate **DoD Component** headquarters for review and submission to Office of the Assistant Secretary of Defense.

C8.2.12. ILCO Cancellation of Material Obligations

C8.2.12.1. Supply Source Action. The supply source **shall** cancel material obligation items upon receipt of requisition cancellations or the indication of need for lesser quantities from the ILCO. (When there is no record of the item at time of receipt of the MOV responses, the MOV response **shall** be matched with the RHF to determine the latest status of the item or action taken to accomplish cancellation action. The supply source **shall** send the ILCO supply or shipment status as appropriate.) In the event procurement, rebuild, or other expense has been incurred and must be billed to MAP/GA for an individual item being canceled, the supplying **DoD Component shall** take action under DoD 5105.38-M.

C8.2.12.2. Validation of Cancellations. The supply source **shall** send the ILCO, for which validation requests were submitted, Status Code BR for each item and/or quantity canceled as a result of the validation actions. ILCO should not consider any quantity as canceled before receiving the confirming Status Code BR.

C8.2.12.3. When no Response has been Received. The supply source **shall** not automatically cancel items for which material obligations were established when no MOV response has been received relative to specific items submitted for validation.

C9. CHAPTER 9

LOGISTICS REASSIGNMENT

C9.1. GENERAL

C9.1.1. **Purpose.** This chapter provides procedures designed to ensure successful Logistics Reassignment (LR) of both consumable and nonconsumable items, provide adequate management control of items in a transitional situation, and ensure uninterrupted supply support of items during the transition period.

C9.1.2. Transactions. This chapter addresses the procedures to the following ASC X12 transaction functions identified by their beginning segment and report type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmsO/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C9.1.2.1. LR Management Data Transaction is DS to Federal IC 536L identified by beginning segment (1/BR02/020) Transaction Type Code LR – Logistics Reassignment. This transaction provides MILSTRAP DI Codes DLS, DLT, DLU, DLV, DLW, and DLX functionality.

C9.1.2.2. LR Transfer/Decapitalization Transaction is DS to Federal IC 846D identified by beginning segment (1/BIA/020) Report Type Code TL – Logistics Transfer Advice. This transaction provides MILSTRAP DI Code DEE/DEF functionality.

C9.1.2.3. LR Transfer/Decapitalization Inquiry Transaction is DS 846D identified by beginning segment (1/BIA/020) Report Type Code TK – Logistics Transfer Inquiry. This transaction provides MILSTRAP DI Code DLA functionality.

C9.1.2.4. LR Storage Information Order Transaction is DS to Federal IC 846S identified by beginning segment (1/BIA/020) Report Type Code PK – Storage Information Inquiry. This transaction provides MILSTRAP DI Code DZC functionality.

C9.1.2.5. LR Storage Information Reply Transaction is DS 846S identified by beginning segment (1/BIA/020) Report Type Code TQ – Storage Information Advice. This transaction provides MILSTRAP DI Code DZD functionality.

C9.1.3. **LR Process.** To ease understanding of these procedures, the LR process has been divided into three periods of time based upon the effective transfer date

(ETD). These periods are identified as pre-ETD, ETD, and post-ETD. The pre-ETD period commences on the date the GIM assignment/ETD is sent to the GIM/LIM and terminates at ETD. ETD is the date of the LR. Although ETD is a specific point in time, for the purpose of these procedures, any actions involving data requirements that show conditions as of the ETD shall be discussed as if such actions took place on the ETD, even though they may have been taken immediately before or after the actual ETD. The post-ETD period begins immediately following the ETD and includes all actions that do not specifically involve data requirements that show conditions as of the ETD. Specific events required to take place during the LR are set forth under the appropriate period.

C9.1.3.1. The LIM **shall use an LR Management Data Transaction to provide** the GIM with general management information, backorder and demand data, on hand data, due-in data, contract history data, and product quality deficiency report (PQDR) history data for consumable assets being logistically reassigned.

C9.1.3.2. The LIM **shall use an LR Transfer/Decapitalization Transaction to notify** the GIM of the transfer and decapitalization quantities for the item being logistically reassigned. The GIM **shall use an LR Transfer/Decapitalization Inquiry Transaction to inquire about** LR transfer/decapitalization quantities when none was received.

C9.1.3.3. The LIM shall **send an LR Storage Information Order Transaction to the storage activity to notify** them to transfer ownership of wholesale stocks to the GIM and of the quantity which the LIM is retaining. **Storage activities shall send an LR Storage Information Reply Transaction** to the LIM to notify the LIM of the quantities **the storage activity** actually transferred to GIM ownership and those retained in LIM ownership.

C9.2. POLICY. DoD policy for LR of consumable items is contained in [DoD 4140.26-M](#). DoD policy for LR of nonconsumable items is contained in [AMC-R 700-99/NAVSUPINST 4790.7/AFLCR 400-21/MCO P4410.22](#).

C9.3. REQUIREMENTS

C9.3.1. General. The LIM, GIM, and storage activities shall accomplish the actions required by this manual to reassign asset to the GIM in a timely manner to ensure uninterrupted supply support. Resolution of problems affecting supply operation requires direct communication, coordination, and assistance.

C9.3.2. GIM. The GIM shall accept, as of the ETD, those items and book balances submitted by the LIM. (The following policy covering transfer of assets for LR is implemented from DoD 4140.26-M and AMC-R 700-99 et al., respectively.) The LIM shall transfer all on-hand wholesale balances, in place, except:

C9.3.2.1. Assets committed to the support of special projects, programs, and/or plans including the International Logistics Program (ILP), e.g., staged shipments,

packaged shipments. On hand wholesale assets in support of the ILP shall not be transferred to the GIM nor shall any ongoing procurement action in support of the ILP be terminated.

C9.3.2.2. Consumable assets in SCCs F, H, J, K, L, M, P, Q, R, S, and W. (See DoD 4140.26-M for complete criteria.)

C9.3.2.3. Nonconsumable assets in SCCs G, H, J, K, L, M, and P. SCCs H and P material shall never be decapitalized. (See AMC-R 700-99 et al., for complete criteria.)

C9.3.3. LIM. On an expedited basis the LIM shall decapitalize to the GIM wholesale assets, other than the SCCs shown above, generated during the first year following ETD. The LIM shall report assets generated after 1 year of ETD under Chapter 11, material returns program procedures. Except for decapitalization of procurement receipts, the GIM shall reject assets decapitalized more than 1 year after the ETD using Reject Advice Code AW.

C9.4. PRE-ETD ACTIONS

C9.4.1. General

C9.4.1.1. The LIM procurement office shall provide the GIM with contractual status on contracts either retained by the LIM or assigned to the Defense Contract Management Agency (DCMA) for contract administration. Contract status includes, but is not limited to, delivery status, acceleration of delivery, follow-up status requests, contract warranty provisions, and executing appropriate modifications to basic contracts.

C9.4.1.2. For nonconsumable items, the LIM shall give the GIM listings of all purchase requests (procurement actions that have not reached the award stage) throughout the pre-ETD period. The GIM shall, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes, and return one copy to the LIM. For consumable items, the LIM shall send listings of all purchase requests to the GIM 45 calendar days prior to the ETD in the format established by DoD 4140.26-M.

C9.4.1.3. The LIM shall reclassify consumable assets, in SCCs Q and R, to the appropriate SCC before the LIM sends the GIM **an updated LR Management Data Transaction**.

C9.4.1.4. For assets in SCC H, the LIM shall either forward the assets to DRMO or reclassify the item to its true condition as authorized by Chapter 7.

C9.4.2. One hundred and fifty calendar days prior to ETD, or upon notification if less than 150 calendar days, the LIM shall take the following actions:

C9.4.2.1. Advise the GIM of assets being held for litigation.

C9.4.2.2. Perform physical inventories under Chapter 6 procedures, as stated in DoD 4140.26-M for consumable items, and AMC-R 700-99 et al., for nonconsumable items, as follows:

C9.4.2.2.1. For consumables, inventory stock on hand for wholesale assets designated as classified or sensitive.

C9.4.2.2.2. For nonconsumables, inventory on-hand wholesale assets.

C9.4.3. One hundred and twenty calendar days prior to ETD, or upon notification if less than 120 calendar days, for consumable items being transferred, the LIM shall send the GIM **an LR Management Data Transaction** containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time.

C9.4.4. Sixty calendar days prior to ETD the LIM shall process excess reports received for LR items for which DRMO action is appropriate, in accordance with Chapter 11 procedures.

C9.4.5. Forty-Five Calendar Days Prior to ETD

C9.4.5.1. By mutual agreement between the GIM and the LIM, the LIM shall initiate action to amend existing LR item contracts/purchase orders not reassigned to the GIM to provide for diversion of stock by quantities into distribution depots of the GIM. The GIM shall send addresses of the shipping destinations to the LIM, as appropriate. The LIM shall retain the due-in.

C9.4.5.2. For consumable items, the LIM shall send listings of all purchase requests in accordance with DoD 4140.26-M. The GIM will, within 15 calendar days following receipt of the purchase request listing from the LIM, annotate required changes and return one copy to the LIM.

C9.4.6. Thirty Calendar Days Prior to ETD. The LIM shall take the following actions:

C9.4.6.1. Mail the GIM a WMR data listing sorted by NSN and the DoD Component (and DoDAAC within the DoD Component when the requirements have been allocated), major to minor, showing the current computed data.

C9.4.6.1.1. Include the quantity and value of the forecasted reparable return data, if applicable; quantity and value of Balance War Reserves (Other War Material **Requirement** (OWMR); **Other War Reserve Material** Requirement (OWRMR); OWRMR, Protectable (OWRMRP); Pre-Positioned War Reserve Material Requirement (PWRMR); PWRMR, Protectable (PWRMRP)); dollar value subtotals for FSC, DoDAAC if allocated, and the DoD Component; and grand total dollar value.

C9.4.6.1.2. Additionally, send DS to Federal IC 830W, War Material Requirements, to the GIM to show original input from which the WMR computed data

was generated. The GIM shall process DS 830W to recompute the WMR data as described in Chapter 3.

C9.4.6.2. For consumable items, send the GIM an updated **LR Management Data Transaction** containing backorder and demand data, on-hand data, due-in data, and contract history data. Do not provide PQDR history data at this time. Send the GIM the latest status of assets being held for litigation action.

C9.5. ETD PERIOD ACTIONS. The LIM shall do the following at ETD:

C9.5.1. Send **an LR Storage Information Order Transaction to the storage activities** as a notification that wholesale stocks stored are now under GIM ownership.

C9.5.2. Process inventory adjustments to decrease the inventory control record using DS **to Federal IC** 947I.

C9.5.3. Prepare and send to the GIM **LR Transfer/Decapitalization Transaction** by SCC and location. Telephone communication between the GIM and LIM is authorized to resolve transactions that reject from the validation process. To preclude inquiries when there are no on-hand assets available for transfer, the LIM shall send a **LR Transfer/Decapitalization Transaction** to the GIM for a zero quantity as either a transfer or a decapitalization, based on the following:

C9.5.3.1. LR transfers are used for permanent transfers, without reimbursement of cost, of inventory within the same fund division (the LIM has a transfer-out and the GIM has a corresponding transfer-in).

C9.5.3.2. LR decapitalizations are used for permanent transfers, without reimbursement of cost, of inventory between different fund divisions, or chartered subdivisions within the fund (the LIM has a decapitalization and the GIM has a corresponding capitalization).

C9.5.4. Give memorandum due-in information to the GIM and advance receipt information (ARI) to the distribution depot in accordance with Chapter 12.

C9.5.5. Send the GIM **storage activity a DS 527D ARI** for each due-in from procurement on which the destination has changed to the GIM. In addition, send the LIM storage activity a reversal DS 527D **ARI** to delete the ARI.

C9.5.6. Do transfer of backorders to the GIM using referral/passing orders in accordance with requisitioning procedures. **Backorders transferred between DoD Components will be funded.**

C9.5.7. For consumable items, send the **LR Management Data Transaction** containing PQDR history data. Send data for completed PQDRs only and include all PQDRs completed up to 3 years prior to the ETD. Do not provide backorder and demand data, on-hand data, due-in data, or contract history data at this time.

C9.5.8. Transfer funded backorders to the GIM in accordance with DoD 4140.26-M.

C9.5.9. For items with SPR, prepare and send DS to Federal IC 870L, Order Status Report (SPR/LASE Status) , to the forecasting activity as outlined in Chapter 2.

C9.5.10. For asset availability, advise the GIM of the latest data available on assets being held for litigation action.

C9.6. POST-ETD ACTIONS

C9.6.1. Storage Activity Action. The **storage activity** shall prepare **an LR Storage Information Reply Transaction** within 5 working days of receipt of **an LR Storage Information Order Transaction** advising the LIM of the quantity transferred to GIM ownership. If the **storage activity** does not receive an **LR Storage Information Order Transaction**, the **storage activity** shall prepare and send the LIM **an LR Storage Information Reply Transaction** showing each balance by SCC.

C9.6.2. GIM Actions

C9.6.2.1. Inventory Adjustment. Convert **valid LR Transfer/Decapitalization Transactions** received from the LIM to inventory adjustments using **DS 947I, to establish** or increase inventory balances. (This action is not required upon receipt of an LR transfer/decapitalization with a zero quantity.) The GIM may automatically reject invalid LR transfer/decapitalization transactions. Telephone communication between the GIM and LIM is authorized to resolve LR transfer/decapitalization transactions that reject from the validation process.

C9.6.2.2. Memorandum Due-In Transactions. Process valid **DS 527D** memorandum due-in transactions, received from the LIM in accordance with Chapter 12.

C9.6.2.3. Transaction Rejections. If in receipt of **an LR Transfer/Decapitalization Transaction** or **DS 527D** memorandum due-in for an item not involved in an LR, reject the incorrectly reported transactions back to the initiator using DS 824R, Reject Advice, citing Reject Advice Code AY.

C9.6.2.4. Reconsignment Instructions. When appropriate, give reconsignment instructions to the LIM for items due-in from undelivered contracts of the LIM. Report receipts from these contracts following the ETD in accordance with Chapter 13.

C9.6.2.5. LR Transfer/Decapitalization Reversals. Accept and process reversals of **LR Transfer/Decapitalization Transactions**, adjust their management and financial records, and discontinue processing any other transactions against the LR assets until the GIM processes new LR Transfer/Decapitalization Transactions **from the LIM**.

C9.6.3. LIM Actions

C9.6.3.1. Updating Due-Ins. The LIM shall update the memorandum due-in and ARI in accordance with Chapter 13, as necessary, to include the following actions:

C9.6.3.1.1. Changing the destination of undelivered purchases upon request of the GIM.

C9.6.3.1.2. Awarding an unawarded purchase request.

C9.6.3.2. Litigation Procedures. The LIM shall enter litigation proceedings on all items in SCC L which are either on hand at ETD or later received by either the GIM or LIM on LIM negotiated contracts. The LIM shall notify the GIM of actions being taken to resolve the litigation actions.

C9.6.3.3. **Condition Change**. When an item previously transferred to the GIM is restored to an issuable condition, or when inspection of stock on hand reveals a change in condition of the material, the GIM shall be notified of the condition transfer using DS 947I.

C9.6.3.4. Preparation of Storage Information. The LIM's storage activity shall send **a LR Storage Information Reply Transaction** within 5 working days of the ETD advising the LIM of the quantity transferred to GIM ownership. If the LIM's storage activity does not receive **a LR Storage Information Order Transaction**, the storage activity shall **send the LIM a LR Storage Information Reply Transaction** showing each balance by SCC.

C9.6.3.5. LIM Processing of a LR Storage Information Reply. Upon receipt of the **LR Storage Information Reply Transaction**, the LIM will review the quantity. When the transfer quantity in the **reply** is greater than the transfer quantity shown in the order, the LIM shall transfer/decapitalize the additional quantity to the GIM on a new **LR Transfer/Decapitalization Transaction**. When the transfer quantity in the **reply** is less than the transfer quantity in the order, the LIM shall:

C9.6.3.5.1. Within 24 hours of receipt of the reply, initiate action to reverse **the LR Transfer/Decapitalization Transaction**, previously submitted for that location and SCC, by the difference between the LR **Storage Information Order** and reply transfer quantities.

C9.6.3.5.2. Conduct research, and/or request a special inventory when deemed appropriate.

C9.6.3.5.3. Determine whether the quantity reported by the distribution depot is correct (based on the best data available after research/inventory). If research shows the quantity reported was not correct the LIM shall process a partial reversal, or **LR Transfer/Decapitalization Transaction** and **a LR Storage Information Order**

Transaction, as needed, containing new document reference numbers with the revised quantity.

C9.6.3.5.3.1. Complete these actions within 30 calendar days after the ETD to prevent a long time lag between the ETD and corrective action. If extenuating circumstances prevent a LIM from accomplishing this task within 30 calendar days, notify the GIM of the problem and expected date when the problem should be resolved (not to exceed 60 calendar days past the ETD).

C9.6.3.5.3.2. If **a LR Storage Information Reply Transaction** contains a transferable quantity on an item the LIM provided a LR Transfer/Decapitalization Transaction with a zero balance, the LIM shall send a new **LR Transfer/Decapitalization Transaction** to the GIM showing the appropriate quantity, SCC, and location; in this situation, the LIM shall not prepare a **LR Transfer/Decapitalization Transaction** reversal.

C9.6.3.6. Ninety Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated **LR Management Data Transaction** containing contract history and PQDR history data. Give data for PQDRs completed between the ETD and the ETD plus 90 calendar days only. Do not give backorder and demand, on hand, or due-in data at this time.

C9.6.3.7. One Hundred and Eighty Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated **LR Management Data Transaction** with PQDR history data. Give data for PQDRs completed between the ETD plus 90 calendar days and the ETD plus 180 calendar days only. Do not give backorder and demand, on hand, due-in, or contract history data at this time.

C9.6.3.8. Two-Hundred and Seventy Calendar Days after ETD. For consumable items, the LIM shall send the GIM an updated **LR Management Data Transaction** containing contract history and PQDR history data. Give data for PQDRs completed between the ETD plus 180 calendar days and the ETD plus 270 calendar days only. Do not give backorder and demand, on-hand, or due-in data at this time.

C9.7. RECEIPT PROCESSING AFTER ETD. **Storage activities** shall process receipts after the ETD in accordance with Chapter 13.

C9.7.1. Receipts from Procurement

C9.7.1.1. Upon receipt of assets from procurement by either the GIM or LIM storage activity, **send a DS 527R receipt** to the LIM.

C9.7.1.2. Procurement receipts received after 1 year past the ETD shall be processed by the LIM and GIM in the same manner that procurement **receipts** would be processed when received during the ETD to 1 year period.

C9.7.1.3. When the LIM receives a receipt transaction from the **storage activity** for an item that was logistically reassigned, the LIM shall:

C9.7.1.3.1. Process the receipt to reduce the due-in record, record the assets on the LIM owner record.

C9.7.1.3.2. Decrease the LIM owner record using DS 947I, **Inventory Adjustment Transaction**, in accordance with Chapter 7.

C9.7.1.3.3. Send DS 527R, **Memorandum Receipt Transaction**, to the GIM.

C9.7.1.3.4. Send **a LR Transfer/Decapitalization Transaction**, in accordance with section C9.5, and include transaction number or contract number (and related data: Contract Line Item Number (CLIN), Exhibit Line Item Number (ELIN), and call or order number) from the associated receipt transaction to establish an audit trail between the receipt and its following transfer/decapitalization.

C9.7.1.3.5. Send **a LR Storage Information Order Transaction** to the distribution depot in accordance with section C9.5.

C9.7.1.3.6. Process receipts for which litigation is required in accordance with Chapter 13.

C9.7.1.4. If no **DS 527D** ARI is recorded, the storage activity shall report material received from procurement sources in accordance with Chapter 13.

C9.7.1.5. The GIM will:

C9.7.1.5.1. Use **a LR Transfer/Decapitalization Transaction** to record the assets on the GIM owner record and to reduce the memorandum due-in record in accordance with Chapter 13.

C9.7.1.5.2. If **a LR Transfer/Decapitalization Transaction** is received for an item not involved in an LR, the GIM shall reject the transaction back to the initiator using DS 824R citing Reject Advice Code AY.

C9.7.1.5.3. If assets from procurement are received for which there are no ARIs at the receiving storage activity, the receiving activity shall report the receipt to the appropriate IMM. If the GIM does not have a recorded due-in and the item was recently involved in an LR, the GIM should research/contact the LIM to determine proper reporting of the receipt to maintain accountability accuracy. If the procurement receipt is incorrectly reported to the LIM (and the LIM did not initiate the procurement action), the LIM should reject the receipt back to the originator with a DS 824R citing Reject Advice Code AB.

C9.7.2. Receipts From Other Than Procurement

C9.7.2.1. The LIM's storage activity, upon receipt of assets from other than procurement, shall send DS527R **receipt** to the LIM.

C9.7.2.2. The LIM shall:

C9.7.2.2.1. Process the storage activity initiated receipt to reduce the due-in record and record assets on the **LIM inventory record** for the quantity received.

C9.7.2.2.2. **Decrease** the inventory control record **using DS 947I**.

C9.7.2.2.3. **Send DS 527R, Memorandum Receipt Transaction, to the GIM.**

C9.7.2.2.4. **Send a LR Transfer/Decapitalization Transaction to the GIM.**

C9.7.2.3. **The GIM shall process the D527R, Memorandum Receipt Transaction**, to reduce the memorandum due-in record and **shall use the LR Transfer/Decapitalization Transaction** to record assets on **their inventory** record for the quantity received.

C9.7.2.4. If no ARI is recorded, the storage activity will report material received from nonprocurement sources following Chapter 13.

C9.8. INQUIRY FOR LOGISTICS REASSIGNMENT ASSET DATA AND RESPONSE

C9.8.1. **LR Transfer/Decapitalization Inquiry**. The GIM shall send an inquiry to the LIM, using **a LR Transfer/Decapitalization Inquiry Transaction**, for all assets logistically reassigned for which they received no **LR Transfer/Decapitalization Transaction**.

C9.8.2. **LIM Response**. The LIM shall send the necessary **LR Transfer/Decapitalization Transaction** or a duplicate thereof.

C9.9. **DUE-IN VALIDATION**. See Chapter 12, for due-in inquiry and reconciliation procedures.

C10. CHAPTER 10

MATERIAL RECEIPT ACKNOWLEDGEMENT

C10.1. GENERAL

C10.1.1. Purpose. *This chapter provides the process for a DoD automated, closed-loop system to provide accountability and monitor receipt of shipments of DoD and GSA wholesale stocks and DRMS stocks issued from on-hand assets or procured for DVD. These procedures provide for the control of due-in records below the wholesale level and the interface among the transportation, quality, supply, and financial operations/systems below the wholesale level and between the supply and purchasing operations/systems at the wholesale level to provide proper control over intransit assets and document receipt in the payment files.*

C10.1.2. Transactions. *This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/020) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmsso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.*

C10.1.2.1. Material Receipt Acknowledgement (MRA) Transaction *is DS to the Federal IC 527R, identified by beginning segment Transaction Type Code TH – Receipt Acknowledgement Advice. This transaction provides MILSTRAP DI Code DRA functionality.*

C10.1.2.2. MRA Inquiry Transaction *is DS to the Federal IC 527R, identified by beginning segment Transaction Type Code TG – Receipt Acknowledgement Inquiry. This transaction provides MILSTRAP DI Code DRF functionality.*

C10.1.3. Applicability

C10.1.3.1. *These procedures apply to shipments of DoD wholesale stocks and DRMS stocks and, in part, to shipments of GSA wholesale stocks--whether pushed or pulled, delivered or picked up, issued from on hand assets or procured for DVD from commercial sources. These procedures apply to:*

C10.1.3.1.1. *All DoD IMM and the DRMS (for the purposes of MRA, the DRMS is the DoD manager for shipments from reutilization and marketing).*

C10.1.3.1.2. *Recipients of DoD and GSA wholesale stocks and DRMS stocks--including DoD intermediate/retail level and end-use activities;*

contractors that receive GFM, as defined under DoD 4140.1-R; DoD ICPs that requisition material from GSA, DRMS, or other DoD ICPs; and DoD maintenance facilities that receive items for maintenance when the maintenance activity accountable officer assumes property accountability for the inducted items-- hereafter called reporting activities.

C10.1.3.2. GSA shall not use the MRA to monitor material receipt but shall use the data to interface with the discrepancy reporting process. Therefore, GSA shall not follow-up to reporting activities to request an MRA.

C10.1.3.3. The DoD Components may prescribe additional internal follow-up requirements to those identified in this chapter.

C10.1.4. Exclusions. The following are excluded from MRA procedures:

C10.1.4.1. Commodities excluded from requisitioning, except that receipt of requisitioned forms and publications shall be acknowledged.

C10.1.4.2. Shipments to SA customers except when the shipment concerns an unconfirmed MRO.

C10.1.4.3. Inter-Component lateral redistributions of retail stock not directed by the IMM.

C10.1.4.4. Shipments to state, civil, or federal agency activities.

C10.1.4.5. Receipts into DoD wholesale stock controlled under Chapter 13, including relocations/shipments to contractors, commercial or industrial activities which are receipt reported to the owner. However, when IMMs requisition material from another IMM or DRMS, and the receipt is reported under Chapter 13, the requisitioning IMM shall acknowledge the receipt.

C10.1.4.6. Shipments to defense reutilization and marketing that are covered under the procedures for in-transit control of shipments to DRMOs.

C10.1.4.7. Shipments of fresh fruit and vegetables.

C10.1.4.8. Shipments to Army/Air Force Exchange Service (DoDAACs HX1_, HX2_, HX3_, and HX4 _).

C10.2. RESPONSIBILITIES

C10.2.1. Reporting Activity. Reporting activities excluding ILCOs shall:

C10.2.1.1. Establish supply due-in records for all requisitions (pulled or pushed) being supplied from wholesale stock. It is not required to establish a due-in record when shipment status is received after the material has been received.

C10.2.1.2. Update (or establish, when no previous record of the due-in/material receipt exists) due-in records and estimated delivery dates, based on supply and shipment status received. Establish due-in record estimated delivery dates which equal MRA prescribed timeframes (i.e., the shipment status release day plus 30 or 90 calendar days for shipments to continental United States (CONUS) or overseas activities, respectively).

C10.2.1.3. Post receipts from wholesale stock to a stock record/property, or equivalent, account and acknowledge material receipt under these procedures.

C10.2.1.4. Post receipts to the appropriate account. Whenever material is taken into U.S. Government custody at final destination, whether it has been accepted or not, ensure the receipt is posted to the stock record/property, or equivalent, account. Establish any needed interface among the transportation, quality, and supply operations/processes to meet this requirement.

C10.2.1.5. Monitor due-in records and report nonreceipt under these procedures when material is not received within the prescribed timeframes. DLMS requires that 100 percent shipment status be sent to all reporting activities so they can meet this requirement.

C10.2.1.6. Coordinate with the financial operation/function before clearing a due-in record by any action other than material receipt. Maintain an auditable record of all due-in records so cleared.

C10.2.1.7. Establish an interface with financial accounting operations/processes to maintain proper financial accounting control for in-transit assets, as prescribed by [DoD 7000.14-R](#).

C10.2.2. ILCO History Screening. ILCOs shall screen history records for valid shipment status or coordinate with freight forwarders/customers to determine shipment status/receipt data, for unconfirmed MROs and send an MRA Advice Transaction within prescribed timeframes.

C10.2.3. IMM. IMM shall:

C10.2.3.1. Have a closed-loop system to monitor material receipt on all shipments of wholesale stock to DoD activities.

C10.2.3.2. Control MRA data based on quantity within transaction number. When the MRA does not match a shipped record, use the data only for quality control/management evaluation purposes. Do not reject MRAs to the submitter.

C10.2.3.3. Keep an accessible record of requisitions, by transaction number and suffix code shipped, until material receipt is confirmed, nonreceipt is

reported for the quantity shipped, or failure to acknowledge is included in management evaluation reports.

C10.2.3.4. Establish an interface between the supply and disbursing functions/operations to provide receipt acknowledgment data for all DVDs for documentation of payment files.

C10.2.3.5. Consider MRA data in the supply discrepancy report (SDR) validation process.

C10.2.4. DoD Component. The DoD Components:

C10.2.4.1. Shall establish the internal interface among the logistics, financial, and contracting operations/systems necessary to accomplish MRA requirements.

C10.2.4.2. May, for intra-DoD Component shipments, elect to have their shipping activity or consolidation and containerization point create an MRA and send it with the shipment for completion and submission by the reporting activity.

C10.2.4.3. May prescribe, where appropriate, that intermediate levels of supply (i.e., organizations that are not the ultimate material recipient but maintain due-in records for referred user requisitions) post receipts to their due-in records and acknowledge material receipt for the user.

C10.2.4.4. May record MRA data in requisition history and use to close unconfirmed MROs.

C10.2.5. MRA Submission

C10.2.5.1. Reporting Timeframes. Reporting activities shall meet the time limits identified in this chapter. These requirements and timeframes are independent from prescribed shipment tracing and discrepancy reporting requirements and timeframes to which the receiving facility must also adhere. MRA reporting timeframes are summarized below:

Table C10.T1. MRA Submission Timeframes

ACTION	TIME LIMIT
U.S. Forces send MRA	* 5 calendar days from date material received and: **30 calendar days from the DS 856S date shipped Field entry (CONUS destination) for nonreceipt. or 90 calendar days from the DS 856S date shipped Field entry (Overseas destination) for nonreceipt.

ACTION	TIME LIMIT
ILCOs Send MRA	*120 calendar days from the DS 856S date shipped field entry for security assistance shipments.
Send MRA in Reply to Follow-Up	*15 calendar days from transaction preparation date in the MRA Inquiry.
* Take the action before the time limit is reached. ** Take the action when the time limit is reached.	

C10.2.5.2. Submission of MRA Advice Transaction. Reporting activities shall submit an MRA when a material receipt is posted to the retail stock record, stock record account, property account, or equivalent record. Also, submit an MRA when due-in dates are reached and material has not been received.

C10.2.5.3. U.S. Forces Reporting. U.S. Forces reporting activities shall send an MRA:

C10.2.5.3.1. Within 5 calendar days from date material is received.

C10.2.5.3.2. For nonreceipt of material with a CONUS destination, within 30 calendar days from date shipped cited in DS to Federal IC 856S, Shipment Status.

C10.2.5.3.3. For nonreceipt of material with an overseas destination, within 90 calendar days from date shipped cited in DS 856S.

C10.2.5.4. SA Shipments. ILCOs in receipt of DS 856S pseudo shipment status shall screen history records for valid shipment status. If valid shipment status is not available, ILCOs may coordinate with freight forwarders/customers to determine shipment status/receipt data. Submit an MRA to show shipment status or receipt data within 120 calendar days from the pseudo shipment status release date.

C10.2.5.5. DAAS MRA Processing. DAAS shall pass the MRA to the designated IMM the reporting activity indicates in the transaction, and provide images to other designated activities based upon the DoD Component rules. Reporting activities shall direct the MRA to one of the following (listed in order of preference):

C10.2.5.5.1. The organization that directed the material shipment as shown on DS 856S.

C10.2.5.5.2. The last known source of supply to that authorized follow-up action shall be directed as shown on DS to Federal IC 870S, Supply Status.

C10.2.5.5.3. The source of supply to which the DS to Federal IC 511R, Requisition, was submitted.

C10.2.5.6. MRA for Tailored Vendor Relationship (TVR). DLA, in conjunction with the DoD Components and vendors, has implemented TVR. TVR is a business process where there is a direct relationship between the customer and the vendor. Under TVR, customers place orders directly with the Prime Vendor, outside the routine supply requisitioning process/systems, using various communication channels such as EDI, phone, fax, email, or via the prime vendor's ordering system. DLA EBS receives copies of transactions in order to maintain line item accountability. MRA of TVR shipments require use of the contract number, call, and line item numbers to uniquely identify lines. This data is necessary because TVR orders can have multiple lines for the same document number and suffix code. DLA receives MRAs for TVR from, DMLSS, TEWLS, EMALL, or customer systems.

C10.2.6. Acknowledgement of Split or Partial Shipments. When a shipped line item (requisition transaction number and suffix code) is consigned as a split or partial shipment, submit an MRA, for the shipment segments as they are received. The split or partial shipment codes are part of the Transportation Control Number (TCN) structure in accordance with DoD 4500.9-R. Accordingly, reporting activities shall include the TCN in the MRA transaction when it is available. If the total quantity for the shipped line item is not received by the due-in date, report the missing quantity, citing Discrepancy Indicator Code F, in accordance with the guidance in the MRA transaction.

C10.2.7. Acknowledgement of a Discrepant/Deficient Shipment. To acknowledge receipt of a discrepant/deficient shipment, submit an MRA, except as noted below, with the appropriate discrepancy indicator code. With the exception of the receipt of multiple stock numbers, use a single MRA transaction to acknowledge the receipt showing both non-discrepant and discrepant quantities. Note that MRA requirements and timeframes are independent from prescribed shipment tracing and discrepancy/deficiency reporting requirements and timeframes to which the receiving facility must also adhere.

C10.2.7.1. If the transaction number of a receipt cannot be identified, post the receipt using a local transaction number. Do not submit an MRA.

C10.2.7.2. If stock number/part number cannot be identified, do not include the stock/part number in the MRA and enter Discrepancy Indicator Code A.

C10.2.7.3. For total or partial nonreceipt, enter the quantity not received and Discrepancy Indicator Code F.

C10.2.7.4. Except for shortage and partial or total nonreceipt, addressed above, enter Discrepancy Indicator Code X in the MRA if the discrepancy does not meet discrepancy reporting criteria.

C10.2.7.5. When posting a receipt using more than one transaction because the discrepancy results from the receipt of multiple stock numbers, send an MRA for each transaction posted. If needed, also send a MRA for any quantity not received.

C10.2.8. Correcting or Canceling a MRA

C10.2.8.1. Identification of Erroneous Information. Activities that acknowledge a material receipt in error shall not correct the MRA. However, to ensure validation of any SDR for the shipment, the reporting activity must identify the erroneous MRA information in the SDR remarks ([SF364](#)) or in the NTE segment of DS to Federal IC 842A/W, SDR Follow-up, Correction, Cancellation, & Reconsideration Request.

C10.2.8.2. Error Documentation. When the IMM receives an MRA that does not match a shipment record, or contains errors, the IMM shall document the error in the management evaluation report or quality control data, as applicable.

C10.2.9. Quality Controls

C10.2.9.1. Evaluation of Internal MRA Processing. To comply with the requirements of Chapter 6, IMM and reporting activities shall include the evaluation of internal MRA processing in their quality control programs. The following work processes shall be included: accuracy of MRA initiation or inquiry, submission timeliness, and investigative research to determine and correct processing errors.

C10.2.9.2. Designation of Responsible Organization. Command IMM shall assign to specific organizations the responsibility for directing and monitoring corrective action. The purpose of the program is to assist management in identifying those human, procedural, or system errors adversely affecting the MRA process or indicating potential deficiencies in the control over in-transit assets.

C10.2.9.3. Organizational Interface. Command IMM must ensure effective organizational interrelationships among the functional operations/processes concerned with MRA, such as: supply, procurement, financial, inventory management, transportation, quality assurance, and storage.

C10.2.10. Management Evaluation

C10.2.10.1. The DoD Components shall:

C10.2.10.1.1. Establish a management evaluation program which monitors and evaluates MRA submission to ensure compliance with MRA requirements.

C10.2.10.1.2. Execute timely processing and perform response rate analyses to identify non-responsive activities and initiate corrective actions.

C10.2.10.2. The evaluation program shall provide for:

C10.2.10.2.1. Review of the MRA Management Information Report. DAASC shall prepare the report and provide access by electronic means. The report content is determined by the Supply PRC. Each Component Supply focal point is responsible for analysis of the report to identify potential deficiencies in their respective Component MRA operations or procedures contributing to breakdowns in internal controls for intransit wholesale stock. The DoD Component Supply focal points are responsible for initiating corrective action with delinquent and non-reporting activities. Report Control Symbol DD-AT&L(AR)1113 applies to the MRA Management Information Report.

C10.2.10.2.2. As a minimum, a MRA Management Information Report includes:

C10.2.10.2.2.1. Documentation of non-responses for a reporting period to include: the number of qualifying shipments made to an activity (by "ship-to" DoDAAC); the number of MRA responses received from that activity; the number of non-responses.

C10.2.10.2.2.2. Breakdown of non-responses by DVD and stocked shipment to include the number, percentage, and dollar value of each category.

C10.2.10.2.2.3. Report of MRAs having a discrepancy indicator; report by shipping activity to indicate total shipments that qualified for an MRA during the report period; total MRAs received with a discrepancy indicator and a subset to identify them by "ship to" activity.

C10.2.10.2.3. An MRA report that shall provide a capability to access information by specific categories of DoDAACs such as subsistence, ammunition, contractor, and Army Total Package Fielding. Additionally, it will provide the capability to request highlight listings showing DoDAACs with a high number of non-responses (for example, all DoDAACs with over 500 non-responses) to assist in identifying organizations not complying with MRA procedures.

C10.2.10.3. IMMs shall keep accessible records of shipments and MRA transactions to support the reporting requirements.

C10.3. INQUIRY FOR DELINQUENT MATERIAL RECEIPT ACKNOWLEDGEMENT

C10.3.1. Timeframe for MRA Inquiry. When material shipment is confirmed or when the requisition involves an unconfirmed MRO, the IMM shall monitor for receipt of MRA(s). For U.S. Forces' shipments to CONUS activities, IMM's must receive MRA for the total quantity shipped within 45 calendar days from the date shipped cited in the DS to Federal IC 945A, Material Release Advice, or DS 856S. For U.S. Forces shipments to overseas activities, IMM's must receive MRA within 105 calendar days from the date released to carrier, or within 135 calendar days from the DS 856S shipment status release date for security assistance requisitions. Otherwise, the IMM shall send a MRA Inquiry Transaction for the delinquent MRA to:

C10.3.1.1. The organization that the material was shipped to, for U.S. Forces.

C10.3.1.2. The applicable ILCO, for SA requisitions.

C10.3.2. Delinquent MRA Inquiry Response

C10.3.2.1. To respond to an inquiry on a delinquent MRA, the reporting activity shall prepare a MRA following paragraph C10.2.5., above. Send the MRA to the originator of the inquiry within 15 calendar days from the transaction preparation date cited in the inquiry.

C10.3.2.2. If a reply is not received within 30 calendar days from the MRA inquiry preparation date, the IMM shall include the delinquency information in the MRA Management Information Report. Also, if the requisition involves an unconfirmed MRO, then the IMM shall resolve the record as described in the procedures in Chapter 4 for force-closed material release confirmations.

C11. CHAPTER 11.

MATERIAL RETURNS AND REDISTRIBUTION OF ASSETS

C11.1. GENERAL

C11.1.1. Purpose. This chapter provides procedures for the interchange of information between the owning organization and the IMM on the reporting and distribution of assets. In addition, this chapter provides procedures for ICP/IMM directed lateral redistribution of retail assets identified by an inter- or intra-Component retail asset visibility system. These procedures also establish the necessary controls to ensure timely processing of related transactions and provide for the automatic return of material under specified conditions.

C11.1.2. Reporting Policy. Policy regarding the reporting of assets, the transfer of assets, the lateral redistribution of assets, and the use of assets as an alternative to procurement (also known as the procurement offset portion of total asset visibility (TAV)), is contained in [DoD 4140.1-R](#).

C11.1.3. Customer Asset Reports. Customer Asset Reports (DS to Federal IC 180M, Material Returns Reporting, (Customer Asset Report)) and follow-on documentation sent by DDN must always be routed through DAAS.

C11.1.4. Material Return Credit. Credit for material returns is granted on the basis of receipt and classification by the consignee. Policy for granting credit is covered under DoD 4140.1-R. Procedures for the timeframes and transactions for providing credit for material returns, lateral redistributions, and material provided for the procurement offset portion of TAV are contained in DLMS, Volume 5. Volume 5 covers credit procedures for packing, crating, and handling (PC&H) and transportation formats for DS to Federal IC 812R, Adjustment Request (Follow-up for Material Returns Program (MRP) Credit), and DS to Federal IC 812L, Adjustment Request Reply (Reply to Follow-up for MRP Credit).

C11.1.5. Responsibility for Costs Incurred for Returned Material. U.S Government activities returning material are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated in accordance with [DLAI 4140.55/AR 735-11-2/SECNAVINST 4355.18A/AFJMAN 23-215](#) and [Chapter 17](#). This includes returns made in violation of prescribed material returns procedures, returns showing packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C11.2. APPLICABILITY AND SCOPE. The provisions of this chapter are applicable to all activities offering or returning material to the DoD Component ICP/ IMM, or the GSA. These provisions also apply to activities receiving and processing lateral redistribution orders of retail assets. Policy regarding utilization and redistribution of Military Assistance Program (MAP) material is contained in [DoD 5105.38-M](#), Chapter 11, section II. These procedures also apply to the processing of non-consumable items.

C11.3. EXCLUSIONS. The following categories are excluded from these procedures:

C11.3.1. Customer asset reports identified by part numbers exceeding record position 8-22 of the stock or part number field are excluded from the DAAS' processing of DS 180M, for customer asset report, transactions. Other customer asset reports for items not identified by an NSN are excluded from these procedures on an inter-DoD Component basis.

C11.3.2. Perishable subsistence items, with the exception of perishable subsistence returns (other than fresh fruit and vegetables (FF&V)) from Navy mobile logistics, support fleet ships in the Pacific area.

C11.3.3. Industrial plant equipment (IPE) identified only by a plant equipment code/manufacture's part number. These items must be reported to (identify organization) DSCR on [DD Form 1342](#), DoD Property Record.

C11.3.4. Class V (W) ground (surface) ammunition.

C11.3.5. Lumber products (with the exception of lumber product items stocked by GSA).

C11.3.6. Items under Defense Threat Reduction Agency (DTRA) management; such as Federal Supply Group 11 and all Department of Energy (DOE) special design and quality controlled items (identified by Commercial and Government Entity (CAGE) 87991 in the Federal Logistics Information System (FLIS) master item file) and all DoD items designed specifically for use on or with special weapons (identified by CAGE 57991, 67991, or 77991 in the FLIS master item file). (These items shall be processed under DOE-DNA TP 100-1, et al.)

C11.3.7. Automatic data processing equipment under [DoD 4160.21-M](#).

C11.4. REPORTING CRITERIA FOR CUSTOMER ASSET REPORTS.

C11.4.1. Determination of Reporting Requirements. Reporting of assets shall be determined by the existing retention and reporting policy under DoD 4140.1-R. This includes the reporting policy for the procurement offset portion of TAV as described in DoD 4140.1-R. In response to the Asset Status/Transaction Reporting Request (DS to Federal IC 846I, Asset Status Inquiry/Report), submit Customer Asset Reports (DS

180M, Material Returns Reporting (Report of Available Assets to ICP/IMM)/Customer Asset Report) using appropriate project codes in accordance with paragraph C11.5.4.

C11.4.2. Reporting Activity Actions. The reporting activity shall forward customer asset reports to the ICP/IMM. Direct all GSA customer asset reports to Routing Identifier (RI) Code GG0. Forward all part-numbered Customer Asset Reports (DS 180M) directly to DAAS for possible conversion to an NSN using information in the FLIS files. Customer Asset Reports (DS 180M) transmitted by electronic means must always be routed through DAAS.

C11.5. PREPARATION OF CUSTOMER ASSET REPORTS

C11.5.1. Customer Asset Reports. Use DS to Federal IC 180M to offer or report material no longer needed.

C11.5.2. Reports of Serviceable Items. Reports of serviceable NIMSC 5 items from Secondary Inventory Control Activity (SICA) reporting activities to the appropriate DoD Component SICA shall be submitted under the DoD Component implementing instructions. Quantities, which are not required by the SICA, shall be forwarded to the Primary Inventory Control Activity (PICA) using DS 180M. If appropriate, the SICA shall provide DS 870M, Material Returns Supply Status (ICP/IMM Status to Customer) delay status to the material holder for the quantity referred to the PICA under section C11.14. The expected reply date of the DS 870M, if used, shall be 35 calendar days after the date the report was forwarded to the PICA. The PICA shall provide disposition instructions to the SICA. The SICA, in turn, shall provide disposition instructions to the reporting activity under the DoD Component implementing instructions.

C11.5.3. NIMSC 5 Stocks Exceeding Retention Limit. When the SICA has NIMSC 5 serviceable stocks which exceed the retention limit, the SICA shall prepare DS 180M, Material Returns Reporting, to report available assets to ICP/IMM using the guidelines above, but with the SICA's own document number.

C11.5.4. Use of Project Codes. The DoD Components must use one of the following project codes for the procurement offset portion of TAV of their Customer Asset Report (DS 180M):

C11.5.4.1. RBB for consumables,

C11.5.4.2. 3AG for reparable, or

C11.5.4.3. 3AU for DRMO assets.

C11.6. CANCELLATION OF CUSTOMER ASSET REPORTS

C11.6.1. Use of DS 180M. Use DS 180M to prepare cancellation of asset reports, in total or partial quantities, and submit to the ICP/IMM under the following conditions:

C11.6.1.1. When a determination is made that material is not available in the quantity reported on the asset report.

C11.6.1.2. Upon determination that material directed for return shall not be returned.

C11.6.2. Timely and Accurate Cancellations. The need for timely and accurate cancellation actions under the above conditions is emphasized to avoid unnecessary follow-up actions and to ensure that ICP/IMM records or expected returns reflect proper quantities.

C11.7. PROCESSING REPLIES TO CUSTOMER ASSET REPORTS

C11.7.1. Reporting Activity Processing. DS 870M is used by the ICP/IMM to respond to all customer asset reports **and can be used (intra-Army only) to notify customers of the amount of credit granted and/or reversed for material received**. The reporting activity shall process the DS 870M, reply using the appropriate status code and take the following actions:

C11.7.1.1. Use section C11.6 to submit a cancellation, DS 180M, when it is determined that the material directed for return will not be returned.

C11.7.1.2. Use DS 856R, Shipment Status Material Returns, to prepare a shipment status and promptly submit to the IMM/ICP after material directed for return is released to the carrier. Prepare a separate DS 856R for each shipment. Exercise care to ensure that appropriate data content, including suffix of the individual DS 870M document, is perpetuated in the DS 856R.

C11.7.2. Response to Transaction Receipt. When DS 870M is transmitted to the SICA, the SICA shall forward disposition instructions to the material holder under the DoD Component implementing instructions. The material holder must provide advice to the SICA regarding shipment or cancellation as appropriate, under the DoD Component implementing instructions, and the SICA must provide DS 856R, or DS 180M, to the PICA. If the SICA receives DS 870M from the PICA and has no record of shipment, the SICA shall follow-up to the material holder and submit an interim DS 870M to the PICA containing a future estimated shipping date (ESD) to preserve PICA's due-in record pending a firm reply to the DS 870M.

C11.7.3. Replies to DS 180M. DS 870M and, replies to Customer Asset Reports (DS 180M) containing Project Code RBB, 3AG, or 3AU denoting the procurement offset portion of TAV and Status Code TC, require reevaluation prior to disposal since these assets may not be above an activity's retention limit. Assets required and offered using either Project Code RBB or 3AG shall always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

C11.8. FOLLOW-UPS ON REPORTED ASSETS

C11.8.1. Reporting Activity Follow-Ups. Reporting activity follow-ups consist of three types:

C11.8.1.1. Follow-Up for ICP/IMM Reply to Asset Report (DS 180M). This type follow-up shall be used to obtain intelligence regarding status of the original asset report (DS 180M (Report of Available Assets to ICP/IMM)). DS 180M follow-up to ICP/IMM, must be submitted no earlier than 30 calendar days from date of submission of DS 180M (Report of Available Assets to ICP/IMM), and shall contain the same data as shown in the DS 180M (Report of Available Assets to ICP/IMM). If DS 870M (ICP/IMM Status to Customer), has been received, DS 180M shall be submitted at the expiration of the expected reply date and DS 870M, (From ICP/IMM), has not been received.

C11.8.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DS 180M). This type follow-up shall be used when material to be returned has been shipped as directed by a reply to asset report (From ICP/IMM)(DS 870M) but an ICP/IMM Materiel Receipt Status (DS 870M) has not been received. DS 180M, follow-up for ICP/IMM Materiel Receipt Status), shall be submitted no earlier than 70 calendar days (CONUS) or 130 calendar days (OCONUS) after shipment. The data for the DS 180M, follow-up shall be the same as shown in the DS 856R (Customer Status to ICP/IMM).

C11.8.1.3. Follow-Up for Credit (DS 812R, Adjustment Request) Follow-Up for Materiel Returns Program Credit. This type follow-up shall be used when material to be returned has been shipped and credit allowance was indicated by ICP/IMM Materiel Receipt Status (DS 870M) but no credit billing has been received. This follow-up shall be prepared in accordance with DLMS Volume 5, Chapter 4.

C11.8.1.4. Follow-Ups to ICP/IMM. Follow-ups must be submitted to the ICP/IMM to whom the original asset report (DS 180M was submitted, except when information has been received in DS 870M (DAAS Customer Asset Report Information Status)), status document that DAAS has rerouted the asset report to the correct ICP/IMM. In this case, the follow-up must be submitted to the activity identified in the DS 870M status document received from DAAS.

C11.8.1.5. ICP/IMM Follow-Ups on Directed Returns (DS 870M). Upon receipt of DS 870M, ICP/IMM Follow-Up, from the ICP/IMM, the reporting activity shall review records to determine whether or not a DS 870M, Reply to Customer Excess Report, had been received. If there is no record of having received DS 870M, the follow-up ICP/IMM must be converted to DS 870M, Reply to Customer Excess Report, and processed. If shipment has not occurred, DS 870M, Material Returns Program Supply Status, citing the ESD shall be submitted. If records indicate that shipment has occurred, the transportation activity shall be queried to ensure the material has actually been shipped. If the material has been shipped, a new DS 856R, (Customer Status to ICP/IMM) shall be created. If material has not been shipped, determine when the shipment will be made and follow the above procedures. When less than the total quantity contained in the original DS 870M is to be shipped, the reporting activity shall respond to the DS 870M, ICP/IMM Follow-Up, with DS 870M, Material Returns Supply Status, for the quantity to be shipped and DS 180M for the quantity that will not be shipped. If any of the shipment has already occurred, the reporting activity shall respond to DS 870M (ICP/IMM Follow-up), with DS 856R (Customer Status to ICP/IMM) for the quantity that has been shipped and with DS 870M and/or DS 180M for the remaining portions of the originally reported quantity, as appropriate.

C11.9. AUTOMATIC RETURNS

C11.9.1. Items Designated by a Supply Source for Automatic Return. DS 180M is used for items by a supply source for automatic return. Supply sources must notify reporting activities of the location to which items so designated are to be shipped

C11.9.2. NIMSC Items Designated for Automatic Return. All NIMSC 5 unserviceable (SCC E or F) items are designated for automatic return on an inter-DoD Component basis. PICAs shall notify SICAs of the NSN and the storage organization to which such items are to be shipped. PICAs shall also notify the receiving storage activity of the NSN of such items to be returned. The SICAs shall perpetuate this information to the SICA activities using the intra-DoD Component procedures. If there is no DoD Component SICA for the items identified for automatic return by a PICA (for example, the Coast Guard), the PICA must provide the information to the appropriate DoD Component designated activity.

C11.9.3. Automatic Return of Unserviceable Items. When an unserviceable NIMSC 5 item is automatically returned or a replacement item will be requisitioned, DS 180M, and later documentation shall include Project Code 3AL. If a replacement for the unserviceable NIMSC 5 automatic return item will not be requisitioned (for example, the returned item exceeds the returning activity's authorization or requirement), DS 180M and related documentation must not contain Project Code 3AL. DS 180M to the PICA will contain the data elements specified for DS 180M (Report of Available Assets to ICP/IMM). After generation of DS 180M, processing shall occur as though there has been a DS 180M (Report of Available Assets to ICP/IMM) report and a DS 870M (From

ICP/IMM), reply, along with other provisions of this chapter, excluding DS 180M (For Reply to Asset Report) and DS 870M (ICP/IMM Status to Customer).

C11.9.4. Restrictions. No other inter-DoD Component use of the DS 180M is currently authorized.

C11.9.5. Repair Under DMISA. DS 180M will also be prepared by the shipping activity and forwarded to a SICA for items identified and scheduled for repair under a Depot Maintenance Inter-Service Support Agreement (DMISA). The DoD Components may use DS 180M internally for intra-DoD Component programs that do not conflict with other provisions of this manual.

C11.9.6 ICP/IMM Processing of Automatic Return Notification. Upon receipt of DS 180M, the SICA will take action to establish a due-in and generate an ARI transaction to the receiving activity for the quantity in the DS 180M. Action to establish the due-in and create the ARI transaction will be done under Chapter 12 procedures. Note: For unserviceable NIMSC 5 items, the SICA will send 180M, with data elements specified in this chapter, paragraph C11.9.3, to the PICA. The PICA will establish the due-in and send the ARI transaction to the receiving depot.

C11.10. DEFENSE AUTOMATIC ADDRESSING SYSTEM. DAAS shall do the following:

C11.10.1. Pass by DoDAAC. DS 870M, Materiel Returns Supply Status; DS 856R, (Customer Status to CIP/IMM); DS 812R, Adjustment Request (Follow-Up for Material Returns Program Credit); and DS 180M, (Follow-Up for ICP/IMM Material Receipt Status), shall be passed to the activity represented by the DoDAAC.

C11.10.2. Perform NSN/NIIN Validation. DAAS will perform NSN/NIIN validation and SOS edits as follows:

C11.10.2.1. Correct NSN and Managed by ICP/IMM. If the NSN is correct and managed by the ICP/IMM identified by the DoDAAC, Advice Code 3T shall be entered in the advice segment and the document shall be transmitted to that ICP/IMM.

C11.10.2.2. Correct NSN but Not Managed by ICP/IMM. If the NSN is correct, but is not managed by the ICP/IMM identified in the DoDAAC, the correct ICP/IMM DoDAAC shall be entered, along with Advice Code 3T, and the transaction transmitted to the correct ICP/IMM. DAAS shall send the reporting activity DS 870M, Material Returns Supply Status with Status Code TZ.

C11.10.2.3. Incorrect FSC. If the FSC/NIIN/NSN validation indicates that the FSC is incorrect, the FSC shall be changed and the RI of the ICP/IMM shall be changed where applicable. Advice Code 3T must be entered and the transaction transmitted to the managing ICP/IMM. DAAS shall send the reporting activity a DS 870M, Material Returns Supply Status, with Status Code TZ.

C11.10.3. Routing Cannot be Accomplished. If routing to an ICP/IMM cannot be done by DAAS, the document shall be passed to the activity identified by the DoDAAC.

C11.10.4. Validation by Signal Code. DAAS shall validate DS 180M, Material Returns Reporting (Automatic Return Notification From Customer to Supply Source), (Customer Asset Report (Report of Available Assets to ICP/IMM)), and (Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions for valid ship-from and credit-to addresses as designated by the signal code. If DAAS cannot identify the ship-from or credit-to address, the transactions shall be rejected to the originating activity using DS 870M, Material Return Supply Status, with Status Code SK.

C11.10.5. Editing Part-Numbered Asset Reports. DLA shall not accept DS 180M, Material Returns Reporting, part-numbered asset reports. DAAS must reject all such reports with Status Code T9. DAAS shall pass all part-numbered asset reports to the DoDAAC present in the incoming transaction. The DoD Components may reject (Status Code T9) part-numbered assets not acceptable or recognized under internal procedures. Non-mechanical part-numbered transactions shall not be processed by DAAS, but shall be rejected for processing under intra-DoD Component procedures.

C11.10.6. Edit Rejects Containing Status Code SC. DAAS shall edit DS 870M, Material Returns Supply Status (From ICP/IMM)), rejects containing Status Code SC or SD for correct ICP/IMM and FSC as follows:

C11.10.6.1. Correct NSN and ICP/IMM. If the NSN is correct and belongs to the ICP/IMM, DS 870M, Material Returns Supply Status (From ICP/IMM), shall be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the ICP/IMM.

C11.10.6.2. Correct NSN But Wrong ICP/IMM. If the NSN is correct but not managed by the ICP/IMM, the DS 870M, Material Returns Supply Status (From ICP/IMM), shall be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with Advice Code 3T and sent to the correct ICP/IMM. DAAS will send the reporting activity a DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.6.3. Incorrect FSC. If the FSC is incorrect, DS 870M, Material Returns Supply Status (From ICP/IMM), must be converted to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC, with Advice Code 3T, and the document returned to the rejecting ICP/IMM or transmitted to the correct ICP/IMM. DAAS will send the reporting activity a DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.6.4. Inactivated DLA/GSA/Navy Item in DAAS. If a DLA/GSA/Navy IMM has coded the item inactivated in DAAS records and a DLA, GSA, or Navy activity originated the reject document, DAAS must change the status code to TC and

forwarded the DS 870M, Material Returns Supply Status from ICP/IMM to the reporting activity.

C11.10.7. Edit Rejects from GSA. DAAS shall edit DS 870M, Material Returns Supply Status (From ICP/IMM), rejects from GSA with Status Code SC as follows:

C11.10.7.1. Correct NSN Managed by GSA. If the NSN is correct and it is managed by GSA, DAAS must change the status code to TC and forward the DS 870M, Material Returns Supply Status from ICP/IMM to the reporting activity.

C11.10.7.2. Correct NSN Not Managed by GSA. If the NSN is correct but not managed by GSA, DAAS shall convert the DS 870M, Material Returns Supply Status from ICP/IMM to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), enter Advice Code 3T and transmit to the appropriate ICP/IMM. In addition, DAAS shall send the reporting activity with DS 870M with Status Code TZ.

C11.10.7.3. Valid NIIN/FSC. If the NIIN is valid and the FSC is incorrect, DAAS shall convert the DS 870M, Material Returns Supply Status (from ICP/IMM), to DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), with the correct FSC; enter Advice Code 3T and transmit the DS 180M back to GSA or to the managing ICP/IMM. DAAS will send the reporting activity DS 870M, DAAS Customer Excess Report Information Status, with Status Code TZ.

C11.10.7.4. NSN Cannot be Identified. If the NSN cannot be identified, DAAS shall change the status code to SD and transmit DS 870M, Reply to Customer Asset Report (From ICP/IMM), to the reporting activity.

C11.10.8. Automatically Route Transactions to GSA. DAAS shall automatically route all DS 180M, Customer Asset Report (Report of Available Assets to ICP/IMM) for GSA managed items to RI GG0.

C11.11. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER PROCESSING OF CUSTOMER ASSET REPORTS

C11.11.1. Disposition Determination. ICP/IMM must process asset reports to determine disposition. Asset reports containing project codes assigned for specific returns program purposes (such as rollbacks and automatic returns) shall be processed under the assigned controls. Assets required and offered using either Project Code RBB or 3AG must always be directed for return with credit; however, assets required and offered using Project Code 3AU shall only be directed for return without credit.

C11.11.1.1. Response Timeframe. DS 870M, Material Returns Supply Status (From ICP/IMM) shall be prepared to respond to asset reports no later than 30 calendar days from date of receipt of the DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM) transaction.

C11.11.1.2. Response After 30 Calendar Days. If a DS 870M, Material Returns Supply Status (From ICP/IMM), cannot be provided within 30 calendar days, send DS 870M, Status to Customer, with Status Code TR and enter an expected reply date when final disposition instructions are expected to be provided.

C11.11.1.3. Suffix Codes. Suffixes must be used to identify partial actions.

C11.11.2. Material Required. If it is determined that the material is required, forward DS 870M, Material Returns Supply Status (From ICP/IMM) citing Status Code TA, TB, TH, or TJ to the reporting activity. The ICP/IMM shall establish a due-in for the quantity of material to be returned and generate DS 527D, Advanced Receipt, transaction to the receiving depot.

C11.11.2.1. Shipment Time Allowed. Time allowed for shipment and return of material is day of posting of DS 856R, or the estimated shipping date cited in DS 870M. The due-in EDD will be updated upon receipt of a DS 856R or DS 870M to equal the time allowed for shipment and return of material..

C11.11.2.2. Material Not Received Within 120 or 180 Calendar Days. If the material is not received by the due-in EDD, or 30 days have elapsed since the transmission of DS 870M, ICP/IMM Follow-Up, without receiving a response, the ICP/IMM shall take action to cancel the due-in and delete DS 527D transaction. DS 527D must also be canceled when DS 180M, Material Returns Reporting, is received from the customer activity. The EDD required for the due-in shall be 120 calendar days (CONUS) and 180 calendar days (OCONUS) from the processing date of DS 870M Material Returns Supply Status (From ICP/IMM). The due-in estimated delivery date must be updated upon receipt of DS 870M, Material Returns Supply Status, or DS 856R, Shipment Status Material Returns (Customer Status to ICP/IMM).

C11.11.2.3. Cancellation of Due-In Not Precluding Other Requirements. Action taken to cancel the due-in and delete DS 527D, Due-in Advance Receipt, transaction does not preclude requirements prescribed in other DoD manuals and joint regulations to initiate tracer action and file discrepancy reports, such as a Transportation Discrepancy Report (TDR) or Supply Discrepancy Report (SDR), on shipments not received, but for which shipment status has been received.

C11.11.3. Entering Priority Designators in DSs. Enter PDs in DS 870M, Material Returns Supply Status (From ICP/IMM), documents as follows:

C11.11.3.1. PD 03. PD 03 shall be used in the return of critical items and approved intensive management items (including serviceable local stocks).

C11.11.3.2. PD 06. PD 06 shall be used in the return of material identified by the material manager as qualified for automatic return to the DoD distribution system.

C11.11.3.3. PD 13. PD 13 shall be used in the routine return of material not covered above (except surplus and scrap) such as the return of local stocks to supply sources.

C11.11.4. Customer Asset Reports Which Cannot be Processed. DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), received by the ICP/IMM that cannot be processed shall be rejected to the reporting activity using DS 870M, Material Return Supply Status (From ICP/IMM), status with the appropriate S_ series reject status code.

C11.11.5. Customer Asset Reports for Items Requiring Screening/Review. DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), received for items requiring extended screening/review will be suspended. The reporting activity shall be sent a DS 870M, Material Returns Supply Status (ICP/IMM Status to Customer), with Status Code TR containing an estimated date of reply in the ESD field.

C11.11.6. FSC Change Required. If the determination has been made that a FSC change is required on a customer asset report (DS 180M, Material Returns Reporting), the correct FSC must be entered, the DoDAAC of the ICP/IMM shall be changed where applicable, and the DS 180M shall be forwarded to the responsible ICP/IMM for processing. The reporting activity shall be sent a DS 870M, Material Returns Supply Status (From ICP/IMM), containing Status Code T7. The RI of the forwarding ICP/IMM must be entered in the RI field of the ICP/IMM representing the last known holder and shall be entered as the RI of the activity preparing the document.

C11.12. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER MATERIAL RECEIPT STATUS

C11.12.1. Notification of Receipt/Nonreceipt. The ICP/IMM shall prepare DS 870M, Material Returns Supply Status, to provide reporting activities with notification of material receipt or non-receipt on returns. DS 870M shall be provided upon processing of the receipt for other than suspended condition material, or upon processing of inventory adjustment action moving assets from suspended condition to correct condition, or not less than 30 calendar days after DS 870M, Material Returns Supply Status (ICP/IMM Follow-Up), when no receipt or DS 856R, Shipment Status Material Returns, has been processed. Multiple DS 870M, Material Returns Supply Status, documents shall be provided when a single shipment is received in more than one material condition. Use status codes in the DS 870M as follows:

C11.12.1.1. Status Code TN. Enter Status Code TN when credit is granted for the condition and quantity of material received.

C11.12.1.2. Status Code TM. Enter Status Code TM when reduced or no credit is allowed because the condition of material received is less than that authorized for return.

C11.12.1.3. Status Code TL. Enter Status Code TL when the material received is other than authorized for return and no credit is allowed.

C11.12.1.4. Status Code TP. Enter Status Code TP when the material is not received within prescribed timeframes, follow-up action has been unsuccessful, and the credit authorization is canceled.

C11.12.1.5. Status Code TQ. Enter Status Code TQ when the material has been received for an authorized non-creditable return.

C11.12.2. Multiple DS 870Ms Required. DS 870M, Material Returns Supply Status, shall always show the document number, including suffix code, contained in the DS 180M, Material Returns Reporting, or DS 870M, Material Returns Supply Status (From ICP/IMM). When multiple DS 870M, Material Returns Supply Status, transactions are required for material received in different conditions, each DS 870M produced shall retain the document number and suffix of the DS 180M, Material Returns Reporting/DS 870M, Material Returns Supply Status (From ICP/IMM).

C11.13. PROCESSING OF SHIPMENT STATUS

C11.13.1. Preparation of Documentation. Shipment status gives information and normally requires no later generation of documentation. ICPS/IMMs must receive shipment status transactions and update appropriate ICP/IMM records. The shipment date indicated in DS 856R, Shipment Status Material Returns, is available to ICPs/IMMs to verify intransit status and provide information on expected receipts. DS 856R received for items not under control of the ICP/IMM must be rejected to the reporting activity using DS 870M, Material Returns Supply Status (From ICP/IMM), with reject Status Code SC. DS 856Rs that do not pass data field validity checks shall be rejected to the reporting activity using DS 870M, with the appropriated S_ series status code.

C11.13.2. Shipment Advice. In event the ICP/IMM requires advice of shipment to support related supply decisions and DS 856R, Shipment Status Material Returns, has not been received, an ICP/IMM follow-up (DS 870M, Material Returns Supply Status) shall be prepared and forwarded to the reporting activity. DS 870M must not be generated until at least 5 calendar days have elapsed from the transmission of DS 870M (From ICP/IMM), (PD 03) or 50 calendar days (PD 13) and no DS 856R, Shipment Status Material Returns, nor receipt has been posted. DS 870M, with Status Code T3 may be generated upon expiration of the due-in timeframe when DS 856R has been received, but receipt has not been posted. The ICP/IMM is authorized to follow up without regard to the established timeframe when the need arises to satisfy PD 01-08 requirements.

C11.14. PROCESSING FOLLOW-UPS FROM REPORTING ACTIVITIES

C11.14.1. Types. Follow-ups submitted by reporting activities consist of three types:

C11.14.1.1. Follow-up for ICP/IMM Reply to Customer Asset Report (DS 180M, Material Returns Reporting (For Reply to Asset Report)).

C11.14.1.2. Follow-up for ICP/IMM Materiel Receipt Status (DS 180M, Material Returns Reporting (Follow-Up for ICP/IMM Materiel Receipt Status)).

C11.14.1.3. Follow-up for credit (DS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit)).

C11.14.2. Determining if Original DS 180M was Received. On receipt of DS 180M, Material Returns Reporting (For Reply to Asset Report), the ICP/IMM shall determine if there is a record indicating that the original DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), was received.

C11.14.2.1. Record Established. If a record is established and DS 870M, Material Returns Supply Status (ICP/IMM's Status to Customer), indicating delayed response was sent to the customer, a duplicate DS 870M shall be provided. If a record is established and a DS 870M was not provided, one of the following actions must be initiated:

C11.14.2.1.1. In Process. If DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), transaction is in process, DS 870M, Material Returns Supply Status (ICP/IMM's Status to Customer), shall be sent to the customer with Status Code TR indicating the DS 180M is in process and DS 870M will be provided at a later date.

C11.14.2.1.2. Rejection. If DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), was rejected by the ICP/IMM as invalid, DS 180M shall produce DS 870M, Material Returns Supply Status (From ICP/IMM), to the reporting activity with the same status code used in the original DS 870M.

C11.14.2.2. No Record of Receipt. If no record of receipt of DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), exists, the ICP shall process DS 180M as a new DS 180M and provide DS 870M, Material Returns Supply Status (From ICP/IMM), as appropriate, to the reporting activity.

C11.14.3. Receipt of DS 180M, Follow-Up for ICP/IMM Materiel Receipt Status. On receipt of a DS 180M, Material Returns Reporting, ICP/IMM must review records and take action as follows:

C11.14.3.1. Material Received. If the records indicate that the material has been received and classified, transmit a DS 870M, Material Returns Supply Status, to the customer.

C11.14.3.2. Received Material Not Classified. If records indicate the material has been received but not classified, the ICP/IMM shall provide DS 870M, Material Returns Supply Status (From ICP/IMM) with Status Code TT to the customer.

C11.14.3.3. Material Not Located. If records indicate the material has not been received, and if the material is not located after investigation, the reporting activity shall be sent DS 870M, Material Returns Supply Status (From ICP/IMM), with Status Code TU.

C11.14.4. Receipt of DS 812R. On receipt of DS 812R, Adjustment Request (Follow-Up for Materiel Returns Program Credit), ICP/IMM shall take action under DLMS Volume 5.

C11.14.5. Items Not Under Cognizance of the ICP/IMM. DS 180M, Material Returns Reporting (For Reply to Asset Report), received for items not under awareness of the ICP/IMM shall be rejected to the reporting activity using DS 870M, Material Returns Supply Status (From ICP/IMM), with Status Code SC. DS 180M that does not pass data field validity edits shall be rejected to the reporting activity using DS 870M with the appropriate reject status code.

C11.15. CANCELLATION OF CUSTOMER ASSET REPORTS

C11.15.1. Reducing Quantity in All Applicable Cancellation Requests. Upon receipt of a customer cancellation (DS 180M, Material Returns Reporting), ICP/IMM shall cancel or reduce the quantity in all applicable documents affected by DS 180M, including the decision to return, due-in record, ARI, and credit suspense, if applicable.

C11.15.2. Material Not Received by Due-In Estimate. The ICP/IMM shall initiate cancellation (DS 870M, Material Returns Supply Status) action when material is not received by the due-in EDD or when material is not received and no response has been received within 30 calendar days after their DS 870M, ICP/IMM Follow-Up. ICP/IMM shall also start cancellation when DS 856R, Shipment Status Material Returns, is not received within 120 calendar days (CONUS) or 180 (OCONUS) calendar days after receipt of DS 870M, Materiel Returns Supply Status.

C11.15.3. Cancellations Initiated by ICP/IMM. Cancellations started by the ICP/IMM or in response to DS 180M, Material Returns Reporting, shall be done as follows:

C11.15.3.1. Creditable Returns. For creditable returns, notification of cancellation to the reporting activity shall be made using DS 870M, Material Returns Supply Status, with Status Code TP.

C11.15.3.2. Non-creditable Returns. For non-creditable returns, notification of cancellation to the reporting activity shall be made using DS 870M, Material Returns Supply Status, with Status Code TV.

C11.15.4. Receipt of Shipment Status. When DS 856R has been received, action to cancel the due-in and ARI will be accomplished under Chapter 12 procedures.

C11.16. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER
PROCESSING OF DS 180M CUSTOMER ASSET REPORTS, CANCELLATIONS, AND
FOLLOW-UPS WHEN THE SUPPLY SOURCE HAS CHANGED

C11.16.1. Advice Code 3T. Upon receipt of DS 180M, Material Returns Reporting, Cancellation of Customer Asset Report, or Customer Follow-Up to ICP/IMM (For Reply to Asset Report), transaction from DAAS with Advice Code 3T when the SOS has been changed, the losing ICP/IMM shall arrange to change the FLIS and DAAS SOS files.

C11.16.2. Losing Supply Source. The losing ICP/IMM shall prepare and transmit through DAAS DS 180M, Material Returns Reporting (Report of Available Assets to ICP/IMM), Cancellation of Customer Asset Report, and/or Customer Follow-Up to ICP/IMM (For Reply to Asset Report)), transactions containing Advice Code 3U to the gaining SOS.

C11.16.3. DAAS Action. DAAS shall pass DS 180M transactions, above, to the gaining SOS

C11.17. INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER
LATERAL REDISTRIBUTION OF RETAIL ASSETS

C11.17.1. Purpose. This paragraph outlines procedures for filling back orders by generating lateral redistribution orders for retail material that have been identified through an Inter- or Intra-DoD Component retail asset visibility system. The DoD Components may elect to exclude GFM, SA, and contractor furnished material (CFM) backorders from these procedures under DoD 4140.1-R procedures.

C11.17.2. Backorder Supplied by Lateral Redistribution. If a backorder is to be supplied by lateral redistribution of material identified by an inter- or intra-DoD Component retail asset visibility system, the Lateral Redistribution Order (LRO) shall contain appropriate data from the requisition, DS to Federal IC 940R, (Referral Order (For Domestic Shipment/With NSN/NATO Stock Number)) in the document identifier, the RI of the reporting activity, Distribution Code 2 for consumable material or Distribution Code 3 for repairable material, and the RI of the receiving ICP/IMM. The LRO shall be forwarded through DAAS to the reporting activity. DS 945A, Material Release Advice (to ICP/IMM From Storage Activity) with Status Code BA shall be provided to eligible status recipients.

C11.17.3. Reporting Activity Actions. The reporting activity shall:

C11.17.3.1. Process the LRO on a Fill/Kill basis. Provide Status Code BA using DS 945A, Material Release Advice (to ICP From Storage Activity), for the quantity

being filled and/or Status Code CB status for the quantity not being filled (killed) to the receiving activity, and include Distribution Code 2 or 3.

C11.17.3.2. Supply Substitutions. Substitutions are allowed if the requiring activity/requisitioning activity and the supplying/holding activity are the same DoD Component. Do not substitute if the requiring/requisitioning activity and the supplying/holding activity are different DoD Components.

C11.17.3.3. Ensure Shipment. Ensure material is shipped, using DD Form 1348-1A, to the activity identified in the LRO as the “ship-to” addressee. When the material is shipped, send DS to Federal IC 856S, Shipment Status (To ICP/IMM From Reporting Activities for LRO Shipments of Retail Assets), to the activity identified as the receiving activity in the LRO. The DS 856S must include the DoDAAC and fund code of the activity to which the credit for the material and reimbursement for the PCH&T costs is to be provided; and Signal Code B and Distribution Code 2 or 3. Retail activities will use UMMIPS time standards for processing LROs directed by the ICP/IMM.

C11.17.3.4. Establish Internal Records. Establish internal records to receive credit for the material and reimbursement for PCH&T costs and not generate billing instructions.

C11.17.4. Inventory Manager Actions. ICP/IMM will:

C11.17.4.1. Update Estimated Ship Dates. Use DS 945A, Material Release Advice (To ICP From Storage Activity), with Status Code BA and Distribution Code 2 or 3 to update ESDs.

C11.17.4.2. Generate Follow-Ups. Generate DS to Federal IC 940R, Material Release (From ICP/IMM to Reporting Activity or Storage Activity), follow-ups with Distribution Code 2 or 3 to the reporting activity as follows:

C11.17.4.2.1. When the initial Status Code BA or CB is not received on LROs within 10 calendar days.

C11.17.4.2.2. Upon receipt of Supply Status Code BA without an ESD and 10 calendar days have elapsed since the transaction date of the DS 945A, Material Release Advice (To ICP From Storage Activity), Supply Status Code BA.

C11.17.4.2.3. Upon Receipt of Supply Status Code BA with an ESD and the ESD has expired.

C11.17.4.2.4. When no response is received to the previous follow-up and 10 calendar days have elapsed. Continue to follow up until status is received, backorder is re-established, or final disposition.

C11.17.4.3. Provide Reinstatement and Status Notification. Reinstatement the requisition and send appropriate status to eligible status recipients upon receipt of DS 945A, Material Release Advice (To ICP From Storage Activity)/Status Code CB with Distribution Code 2 or 3.

C11.17.4.4. Generate Billing. Upon receipt of DS 856S, Shipment Status (To ICP/IMM from Reporting Activities for LRO Shipments of Retail Assets), with Distribution Code 2 or 3, generate billing transactions to the requisitioner and provide crediting transactions for the material and PCH&T under the procedures of DLMS Volume 5, to the credit-to activity identified in DS 856S, Shipment Status. In addition, ICP/IMM will send DS 856S, Shipment Status (To DAAS From Service/Agency for Distribution), shipment status transaction to DAAS.

C11.17.4.5. Create Customer Supply/Status Transactions. When creating customer supply and status transactions as a result of processing DS 945A, Material Release Advice or DS 856S, Shipment Status Material Returns, transactions with Distribution Code 2 or 3, always use the distribution code that was in the original requisition.

C12. CHAPTER 12

DUE-IN AND ADVANCE RECEIPT INFORMATION

C12.1. GENERAL

C12.1.1. Standard Procedures. This chapter prescribes standard procedures for sending information about incoming material between wholesale managers and storage activities and between owner/managers and maintenance activities, and between LIMs and GIMs. The procedures require timely establishment of due-in information for all anticipated receipts of material, and requires that managers provide receiving storage activities with information for anticipated receipts.

C12.1.2. Control of Due-In Records. *Control of Due-In Records for Materiel Receipt Acknowledgement (MRA). The control of due-in records below the wholesale level to accommodate the DoD closed-loop MRA process is addressed in Chapter 10.*

C12.1.3. Consignment of Material to Storage Activities. Documentation covering consignment of material to storage activities is prescribed in the DoD Component publications. These documents are used, together with information developed by inspection and classification procedures, as source data for documenting transactions in terms of this manual. The distribution of disbursement, procurement, and transportation documentation by storage activities is also governed by existing publications and is, therefore, not a consideration here.

C12.1.4. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/020) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlmsso/elibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment.

C12.1.4.1. Due-in is DS 527D beginning segment Transaction Type Code DA – Due-in. This transaction provides MILSTRAP DI Code DD_/DF_ functionality.

C12.1.4.2. Advance Receipt Information Transaction is DS 527D beginning segment Transaction Type Code DE – Advance Receipt. This transaction provides MILSTRAP DI Code DU_/DW_ functionality.

C12.1.4.3. Delinquent Due-in Inquiry Transaction is DS 527D beginning segment Transaction Type Code TJ – Delinquent Due-in Inquiry. This transaction provides MILSTRAP DI Code DLC functionality.

C12.1.4.4. Delinquent Due-in Advice Transaction is DS 527D beginning segment Transaction Type Code TI – Delinquent Due-in Advice. This transaction provides MILSTRAP DI Code DLD functionality.

C12.1.4.5. Due-in Reconciliation Inquiry Transaction is DS 527D beginning segment Transaction Type Code LC – Due-in Reconciliation Inquiry. This transaction provides MILSTRAP DI Code DLE functionality.

C12.1.4.6. Due-in Reconciliation Advice Transaction is DS 527D beginning segment Transaction Type Code TK –Due-in Reconciliation Advice. This transaction provides MILSTRAP DI Code DLF functionality.

C12.1.5. Use of DS 527D. Use DS 527D application as follows:

C12.1.5.1. Owners/IMMs use to establish ARI at the storage activity.

C12.1.5.2. GIMs use for due-in reconciliation and to inquire about delinquent due-in transactions

C12.1.5.3. LIMs use to provide the GIM with memorandum due-in information, to respond to GIM due-in reconciliations and inquiries, and to provide the GIM revised due-in EDDs as changes occur.

C12.2. CONTROL OF MATERIAL DUE-IN

C12.2.1. Establishing Due-In Records. IMMs shall establish due-in records for all anticipated receipts of material to maintain property accountability or visibility of material due-in to inventory, as required under Chapter 6.

C12.2.2. Keep Current Status. IMMs shall keep due-in records in a current status. Use revised delivery schedules, notification of shipment or delayed shipment, repair schedules and repair schedule changes, contracts and contract changes, customer and manager cancellations, material receipts, and completion of shipment tracer/discrepancy reporting actions to establish, revise, and delete due-in records and maintain appropriate delivery dates.

C12.2.3. Audit Trail. IMMs shall establish an audit trail when deleting or reversing due-in quantities. All due-in deletions and reversals shall interface with the financial system. Due-in deletions and reversals are prohibited without advance coordination between the supply and financial functions, and with the procurement function for dues-in from procurement instrument sources, unless the supply, financial, and procurement systems are fully integrated. When deleting or reversing due-in quantities, managers shall initiate action to correct the receiving storage activity's ARI file under paragraph C12.3.3.

C12.2.4. Supply and Financial Interface. The DoD Components shall establish the necessary interface between supply and financial operations/functions to account

for material in-transit as required under [DoD 7000.14-R](#). For shipments between Government activities, property accountability passes to the recipient upon release of material to carrier and notification of the shipment. For contract shipments, property accountability passes upon transfer of title, as specified in the contract.

C12.2.5. In-Transit Due-In Procedures. IMMs shall monitor due-in records and inquire to storage activities for information on in-transit dues-in under the Chapter 13 procedures.

C12.2.6. Product Quality Deficiency Material. When IMMs direct material for return based on a reported product quality deficiency, they will prescribe use of Supply Condition Code (SCC) Q in the disposition instructions to the returning activity. IMMs shall establish and monitor due-ins for all returns of potential/confirmed product quality deficiency related material, citing the document number included in the report. Provide ARIs for the returns to receiving storage activities, under section C12.3, citing the due-in transaction number (document number) and SCC.

C12.3. PROVIDING THE STORAGE ACTIVITY WITH ADVANCED RECEIPT INFORMATION (ARI)

C12.3.1. Due-In Information Requirements. IMMs shall provide maintenance and storage activities with due-in information for scheduled material receipts by providing them **with ARI transactions**. For dues-in from procurement instrument sources, IMMs shall include applicable contract information and packaging data, allowed by the convention, to facilitate the receiving process and reduce need for hard copy contracts at the receiving activity. As part of the contract information, the IMM shall include indicators identifying whether the contract required UID or passive RFID.¹

C12.3.2. Storage Activity Requirements. Storage activities receiving DS 527D shall keep them in an ARI file pending receipt of the material or the receipt of updates to the ARI from the IMM. Storage activities may use the ARI contract information and packaging data to facilitate the receiving process.

C12.3.2.1. Passive RFID. ARI notice that a shipment contractually requires passive RFID will allow preplanning so that the incoming shipment may be directed for offloading at the RFID reader location and provides a basis for submission of a Supply Discrepancy Report (SDR) in accordance with SDR procedures should the vendor fail to employ the required RFID.

C12.3.2.2. IUID. ARI notice that a shipment contractually requires IUID provides a basis for submission of SDR in accordance with SDR procedures, should the vendor fail to employ the required IUID.

¹ DLA Distribution Standard System (DSS) will implement these new procedures IAW Approved DLMS Change (ADC) 172 in January 2007, enabling DSS to use the indicator when the IMM provides it in the 527D ARI transaction.

C12.3.3. ARI. IMM shall send ARI transactions and ARI transaction reversals as due-in records are revised so that receiving storage activities can maintain the records to show status equivalent to IMM due-in records. IMM shall send ARI reversals to the storage activities when deleting due-in records. IMM shall also send ARI reversals when revising due-in records (e.g., dates, quantities, destinations) and simultaneously send replacement ARI transactions showing revised due-in record data.

C12.3.4. Optional National Inventory Management Strategy (NIMS) Advanced Receipt Notification. Under the NIMS concept of operation, the IMM may own material for managed NSNs down to the retail level. Such arrangements will be based on agreements between participating DoD Components. Replenishment of IMM owned retail will be accomplished under a push scenario. When assets are available to **push, ARI shall** be sent to the NIMS site using standard ARI procedures. Optionally, the DoD Component agreements may authorize the use **of ARI for** the IMM to notify the NIMS site that material to support their replenishment requirement is delayed. In this instance, **ARI** shall contain the quantity not available for push replenishment, the delay notification code "BD" and an estimated shipping date. If at the time push replenishment is required only a partial quantity is available, then **two ARI transactions** shall be generated; one for the quantity pushed and one for quantity delayed. These transactions will have different document numbers and the delayed one will have the "BD" notification. Later, if only a partial amount of the quantity previously delayed becomes available to push, **two ARI transactions** shall be generated. The one for the quantity pushed will maintain the document number of the original delayed notification with the "BD" indicator eliminated. **The ARI** for the quantity still delayed must be assigned a new document number and a "BD" delayed indicator. If the total quantity is initially delayed and later the total quantity is **shipped, ARI must** have the same document number throughout the process. The IMM will update/replace **the ARI** delayed notification anytime either the replenishment quantity or the estimated shipping date changes. New delayed notification must maintain the same document number unless a partial push occurs. Replacement delayed notification under the same or new document number shall not require the reversal of the previous **ARI transaction**. Reversal logic **for ARI transactions** indicating that a push shipment has been initiated shall follow the requirement in paragraph C12.3.3 above.

C12.4. LOAN MATERIAL

C12.4.1. Use appropriate adjustment and/or receipt/due-in transactions to show the on-hand/due-in and later receipts. Show material on loan on owner records in the appropriate purpose code (as prescribed by the DoD Component procedures) or as a nonprocurement source due-in citing Reason for Material Receipt/Return Code H depending on the method/system applied.

C12.4.2. Owners/IMMs may use ARI transactions to provide advance notification to activities scheduled to receive returned loaned material.

C12.5. LOGISTICS REASSIGNMENT MEMORANDUM DUE-IN AND ARI

C12.5.1. Memorandum Due-In. The LIM shall send a memorandum due-in information **transactions** as of the ETD to the GIM, for both awarded contracts and unawarded purchase requests. Quantities shall show only what is available for transfer. The GIM shall process valid memorandum due-in transactions to establish memorandum due-in records. If the GIM receives a memorandum due-in transaction for an item not involved in a logistics reassignment, the GIM shall reject the transaction back to the initiator using **DS to** Federal IC 824R, Reject Advice, citing Reject Advice Code AY.

C12.5.2. Destination Change. Under DoD 4140.26-M policy, the LIM shall take action to change the destination of undelivered purchases upon request of the GIM. Upon changing the quantity due-in/destination, the LIM shall prepare and send a memorandum due-in reversal and a new memorandum due-in to the GIM. Additionally, when an award is made for an unawarded purchase request, the LIM shall prepare and send a **memorandum due-in reversal and a new memorandum due-in transaction to the GIM and a ARI transaction** to the applicable storage activity.

C12.6. LOGISTICS REASSIGNMENT DUE-IN VALIDATION

C12.6.1. Due-In Inquiry

C12.6.1.1. Inquiry for Due-In with Expired EDD. The GIM shall initiate DS 527D due-in inquiry when the EDD for delivery of material is delinquent by more than 30 calendar days. Compute the delinquent date from the memorandum due-in that the LIM provided on the ETD. The GIM shall also initiate DS 527D when a revised due-in date later becomes delinquent by 30 calendar days.

C12.6.1.2. Inquiry for Due-In with Invalid EDD. The GIM shall initiate DS 527D due-in inquiry 30 calendar days after the ETD when the memorandum due-in, the LIM provided on the ETD, contains an invalid EDD (e.g., for material pending procurement/contract action by the LIM). The GIM shall initiate a second inquiry 60 calendar days after the ETD for all dues-in with invalid EDDs. If the LIM does not reply to the second inquiry, the GIM must intervene off-line. The GIM shall include all dues-in with invalid EDDs 90 calendar days after the ETD in the reconciliation. Based on the response, the GIM shall determine if additional inquiry/reconciliation action is required.

C12.6.2. Delinquent Due-In Advice

C12.6.2.1. The LIM shall provide the GIM with due-in information in response to an inquiry using **a delinquent due-in advice transaction** citing the appropriate asset transfer status code.

C12.6.2.2. Revision of Estimates. To preclude the need for due-in inquiry transactions by the GIM, the LIM shall provide revised EDDs as changes occur using a delinquent due-in transaction with Asset Transfer Status Code AF.

C12.6.3. Due-In Reconciliation

C12.6.3.1. Due-In Verification. The DoD Components shall use **the due-in reconciliation** process to verify that the GIM is in receipt of all procurement/contract award data for assets due-in and the most current EDDs available. This process will also ensure that all items still pending procurement/contract award on the ETD are still valid.

C12.6.3.2. Due-In Reconciliation. The GIM shall initiate **a due-in reconciliation inquiry** for reconciliation of dues-in for logistically reassigned material 90 calendar days after the ETD and semiannually thereafter for all material that has not been received. The GIM shall include all items with material still due in to the LIM, regardless of the presence of a current EDD, in the reconciliation request.

C12.6.3.3. Due-In Reconciliation Response. The LIM shall respond to due-in reconciliation requests using **a** due-in reconciliation advice containing the appropriate asset transfer status code. The LIM shall ensure that due-in information for all items still pending procurement/contract action, pending delivery, or in litigation is readily available to respond to the reconciliation request.

C13. CHAPTER 13

MATERIAL RECEIPT

C13.1. GENERAL

C13.1.1. Purpose. This chapter prescribes standard procedures for processing material receipt information between owners and storage activities and between LIMs and GIMs. The procedures require expeditious showing of assets in the property accountability records and related financial accounts. Documentation covering consignment of material to storage activities is prescribed in other DoD and DoD Component regulations. These documents are used, together with information developed by inspection and classification procedures, as source data for documenting transactions in terms of this manual. The distribution of disbursement, procurement, and transportation documentation by storage activities is also governed by existing regulations and is, therefore, not a consideration here.

C13.1.2. Transactions. This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment (1/BR02/20) transaction type code. Other DLMS formats, such as XML, are also available. See the DLMSO website for available DLMS formats: http://www.dla.mil/j-6/dlms/eLibrary/TransFormats/140_997.asp. The corresponding MILSTRAP transaction is identified for information purposes in a mixed DLSS/DLMS environment.

C13.1.2.1. Receipt Transaction is DS 527R beginning segment Transaction Type Code D4 – Receipt. This transaction provides MILSTRAP DI Code D4_/D6_ functionality.

C13.1.2.2. Receipt Inquiry Transaction is DS 527R beginning segment Transaction Type Code IN – Inquiry. This transaction provides MILSTRAP DI Code DXA/DXB functionality.

C13.1.2.3. Response to Inquiry Transaction is DS 527R beginning segment Transaction Type Code DG – Response. This transaction provides MILSTRAP DI Code DXC/DXD functionality.

C13.1.3. Material Receipt/Return Code Definitions. For material receipt/return code definitions, see DS to Federal IC 527R, Receipt, Inquiry, ***and Response, or the DLMSO website, http://www.dla.mil/j-6/dlms/eLibrary/TransFormats/140_997.asp.***

C13.1.4. Use of DS 527R ***for Receipt***. DS 527R shall be used by receiving activities to report both receipts and historical receipt information to owners and other management control activities.

C13.2.. MATERIAL RECEIPT PROCESSING

C13.2.1. Receiving Activity Actions. Receiving activities shall:

C13.2.1.1. Post receipts to the total item property record by changing or adding to data in the ARI file established under Chapter 12 procedures, or by extracting data from the consignment documentation.

C13.2.1.2. For discrepant shipments, follow the guidelines provided in paragraph C13.2.**8**., below.

C13.2.2. Reversal of Incorrect Receipt Transactions. Receiving activities may **use the Receipt Transaction to** reverse incorrect **Receipt Transactions**.

C13.2.3. Central Procurement Receipts. Receipts from procurement can originate from central procurement or local procurement actions. Authorized procurement delivery documents should accompany each shipment as prescribed in the Federal Acquisition Regulation.

C13.2.4. Material Receipt Inspection Procedures. When shipments of material received from procurement instrument sources require inspection and/or acceptance at destination, receiving storage activities must do the inspection and/or acceptance and the in check operations as concurrent actions. Receiving activities shall:

C13.2.4.1. **Inspect shelf-life** material for appropriate condition and type of shelf-life code in accordance with applicable DoD Component procedures based on [DoD 4140.27-M](#).

C13.2.4.1.1. Mark material, as appropriate, for shelf-life code and SCC upon receipt.

C13.2.4.1.2. Package markings shall be in accordance with MIL-STD-129.

C13.2.4.2. **Based on inspection**, prepare a material **Receipt Transaction** indicating the date inspected and the actual condition(s), by quantity, of the material received. Wholesale owners shall make this date available to the office responsible for contractor payment for use in determining if an interest penalty applies.

C13.2.5. Army Medical Material Agreement (AMMA) Receipts. The DLA, in coordination with Defense Medical Logistics Standard Support (DMLSS) and Theater Enterprise-Wide Logistics System (TEWLS), has implemented the AMMA. Under the AMMA program, DLA funds are used by the Army to purchase via DMLSS/TEWLS. **The DLA Enterprise Business System (EBS)** receives a **Receipt Transaction** from DMLSS/TEWLS to receipt purchased items into stock for inventory accountability. DLA owns the material until items are issued at the retail level and inventory is decremented in DLA's **EBS**.

C13.2.5.1. Purchase card receipts from AMMA sites must contain a Purchase Card Account Number and Purchase Card Call Number in order to uniquely identify transactions. A vendor reference number should also be included which is the CARE (Customer Automation and Reporting Environment) invoice number. This value will help with issue resolution and reconciliation.

C13.2.6. Time Standards for Processing Receipts

C13.2.6.1. Purpose. The DoD measures wholesale activity receipt processing performance in terms of the goal to process receipts and show them with minimal delay as on hand assets available for issue. Recording asset receipts and making asset records visible from the point of inspection and/or acceptance normally shall be done within 24-hours (holidays and weekends excepted) as prescribed in [DoD 4140.1-R](#). The accounting and finance office shall be notified of item receipt within the 24-hour period. One objective of the DLMS is to process receipts through the receiving activity, irrespective of geographical location, and show them on both the accountable and locator records with least delay. For this objective, there are two segments of receipt processing:

C13.2.6.1.1. Turnover to Receiving Activity. Date material is turned over by the carrier to the designated receiving activity to date of posting to the total item property record.

C13.2.6.1.2. Turnover for Date Storage Proof. Date material is turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in the receiving activity's records. Material is considered to be in storage when it reaches the first location (either temporary or permanent) where actual storage control exists through locator data and the material can be issued in response to material release documentation.

C13.2.6.2. Processing Standards. Performance standards for processing receipts through these time segments are as follows:

C13.2.6.2.1. New Procurement. Process receipts from new procurement through segments one and two within 7 calendar days.

C13.2.6.2.2. Others. Process all other receipts through segments one and two within 10 calendar days.

C13.2.6.3. Wholesale Receipt Effectiveness. Report wholesale activity receipt processing effectiveness in the Inventory Control Effectiveness Report, RCS DD-P&L (Q&SA) 935, as prescribed by Chapter 6. When computing the overall performance against the time standard, include **Receipt Transactions** frustrated for a long period of time prior to posting, storing, or reporting.

C13.2.7. Control of Receipt Requirements. Receiving storage activities shall comply with the following requirements:

C13.2.7.1. Establish Procedures. Establish receipt control procedures for posting information relating to the status of material in the storing cycle. The cycle begins when the carrier offers material to the receiving activity for custody and control. Receiving activities shall record the carrier's date offered when different than the date the carrier released the material. The DoD Components should use the carrier's date offered to measure carrier performance.

C13.2.7.2. Actions after Material Receipt. Do the following actions after the material has been physically received but prior to or concurrent with movement to storage:

C13.2.7.2.1. Establish a transaction suspense record to record the materials as an in-process receipt.

C13.2.7.2.2. Prepare and send **a Receipt Transaction** to the owner within 24-hours (holidays and weekends excepted) from the point of inspection and/or acceptance.

C13.2.7.3. Using In-Process Receipts to Satisfy Requirement. When the on-hand balance of the stock record (physically stored) is not enough to fill material release orders, use in-process receipts to fully or partially satisfy the requirement. When in-process receipts are recorded, fill priority 01-08 requirements from these receipts. Defer filling of priority 09-15 requirements from in-process receipts until proof of storage is recorded.

C13.2.7.4. Expediting Material Storage. Periodically refer to the in-process receipt suspense file to hasten storage of material delayed beyond authorized receipt processing timeframes and to hasten storing of material for issues deferred pending storage.

C13.2.7.5. Clearing Suspense Record. After receiving proof of storage, clear the suspense record, update the storage locator record, and release any deferred issues.

C13.2.7.6 Updating Storage Activity Record. As an additional aid in control of receipts, ensure that appropriate storage activity records (e.g., stock locator) show the date of the last receipt of an item and the storage information (i.e., date of storage or some other code indicating that storage has been reported).

C13.2.8. Discrepant/Deficient Receipts

C13.2.8.1. Discrepant/Deficient Reports. In addition to processing and reporting material receipts, receiving storage activities shall submit reports for all discrepant/deficient receipts in accordance with the Chapter 17, Supply Discrepancy Reporting, procedures and the following regulations:

C13.2.8.1.1. [DoD 4500.9-R](#), Defense Transportation Regulation, Part II, Cargo Movement.

C13.2.8.1.2. Joint Regulation [DLAR 4155.24/AR 702-7/SECNAVINST 4855.5/AFR 74-6](#), "Reporting of Product Quality Deficiencies Across Component Lines."

C13.2.8.1.3. Joint Regulation [DLAR 4155.3/AR 30-12/NAVSUPINST 4355.2/AFR 74-5/MCO 10110.21](#), "Inspection of Subsistence Supplies and Services."

C13.2.8.1.4. Exceptions. Neither the dollar value nor the timeframes for submitting discrepancy/deficiency reports apply for reporting the material receipt to the owner. The receipt reporting timeframes are prescribed by paragraph C13.2.6., above. The procedures for reporting receipt of discrepant/deficient shipments to the owner are prescribed by subparagraph C13.2.8.2., below.

C13.2.8.2. Processing Discrepant/Deficient Receipts

C13.2.8.2.1. Discrepancy Determination. Upon receipt of all incoming material shipments, from procurement instrument and non-procurement instrument sources, receiving activities shall research all available documentation and item markings (i.e., transaction or contract number, NSN, or other, item identification number, ARI file, quantity, condition, inspection/acceptance requirements, etc.) to determine the receipt data. Using this data, receiving activities shall determine if a discrepancy/deficiency (hereafter referred to as discrepancy or discrepant) exists and shall identify its nature.

C13.2.8.2.2. Unusual Circumstances. If unusual circumstances prevent normal receipt reporting of discrepant shipments, the receiving activity shall communicate with the manager or Contract Administration Office (CAO)/Purchasing Office (PO) to determine how to submit the discrepancy report and report the receipt. When the owner delays receipt reporting, the receiving activity must control the receipt by physically segregating and monitoring the status of the material until they report the receipt, or the owner directs other disposition (e.g., reshipment, return to shipper, etc.). This paragraph applies only when circumstances exist that prevent normal receipt reporting. For non-procurement receipts with no ARI, see subparagraph C13.2.8.2.10.11.

C13.2.8.2.3. Discrepancy Report Determination. Not all discrepant receipts require submission of discrepancy reports. Receiving activities will follow subparagraph C13.2.8.1 procedures to determine whether a discrepancy report must be submitted. **Use Receipt Transactions** Management Codes R, S, and U to identify discrepant receipts that require submission of a discrepancy report. The purpose of the discrepant receipt management codes is to notify the owner in advance that a receipt was discrepant and that a discrepancy report is being submitted to give additional information relating to the reported item. Never **process Receipt Transactions** with Management Codes R, S, or U for a discrepant quantity when submission of a discrepancy report is not required. Use Management Codes S and U only for procurement instrument source receipts to identify vendor caused misdirected shipments and contract over shipments. Separate codes apply to these discrepancies, which occur more frequently and are more easily resolved than others, so owners can initiate immediate corrective action before the formal report of discrepancy is received.

C13.2.8.2.4. Receipts Lacking Documentation. When material arrives without accompanying documentation, or with inadequate documentation to process the receipt, receiving activities shall use one of the following data sources to develop material **Receipt Transactions**:

C13.2.8.2.4.1. ARI files.

C13.2.8.2.4.2. Authorized procurement delivery documents and vendor packing lists.

C13.2.8.2.4.3. Advance copies of [DD Forms 1348-1A](#) or [1348-2](#), or [DD Form 1149](#).

C13.2.8.2.4.4. Transportation and fiscal records.

C13.2.8.2.4.5. Container markings.

C13.2.8.2.4.6. Advice provided by the owner, the shipper, or the U.S. Customs Inspector's Office upon request of the receiving activity if receipt documentation cannot otherwise be developed.

C13.2.8.2.5. Discrepant Receipt Posting. Normally when receiving activities keep a discrepant receipt in U.S. Government custody, whether or not it is U.S. Government-owned, they will post the receipt to the total item property record, store the material, and update the locator record, and hold the material pending receipt of disposition from the owner.

C13.2.8.2.6. Receipts from Outside the Normal Distribution System. When storage activities report receipts outside the normal distribution system for the NSN, the owner shall record the receipt so assets are issued from that site first. Owners shall make disposition of such material as quickly as possible. If the material is not issuable, the owner shall direct repair induction, reclassification, relocation, or disposal using the appropriate DLMS transaction.

C13.2.8.2.7. Discrepant Receipt - Procurement Instrument Source - General

C13.2.8.2.7.1. Protective Measures. Procurement **discrepancies imposing** a health/safety hazard, classified risk, etc., may require separate and/or secure storage. When these situations exist, receiving activities shall take protective measures in accordance with established DoD or DoD Component procedures.

C13.2.8.2.7.2. Receiving Activity Inspection. When acceptance is accomplished at a point other than destination, receiving activities may not re-inspect supplies at destination for acceptance purposes. However, receiving activities shall examine such supplies at destination for identity, damage in transit, quantity, condition (including proper packing/packaging and labeling) and, for subsistence material, date

packed and expiration date. The U.S. Government's right to litigate a discrepant receipt is not affected by the point of acceptance. Consequently, receiving activities shall report discrepancies detected during the destination examination in accordance with the regulations cited in subparagraph C13.2.8.1., above.

C13.2.8.2.7.3. Shipping Procurement Instrument Source Receipts to Reutilization and Marketing. Shipment of procurement instrument source receipts directly to reutilization and marketing is not authorized unless unusual circumstances (e.g., health or safety hazard, etc.) exist and separate/secure storage facilities are not available. When unusual circumstances require the receiving activity to ship material directly to the reutilization and marketing activity (or take other disposal actions as prescribed by the DoD Components), the receiving activity shall first report the receipt using **a Receipt Transaction** citing SCC L and Management Code R ([go to and enter "management code", then click submit at: https://www.dla.mil/j-6/dlms/eApplications/Logdrms/logview/LQVSearch.asp](https://www.dla.mil/j-6/dlms/eApplications/Logdrms/logview/LQVSearch.asp)). The disposal action shall then be reported using a dual **Inventory Adjustment Transaction DS to Federal IC 9471** citing SCC H and Management Code M or T.

C13.2.8.2.8. Reporting Discrepant Receipts from Procurement Instrument Source. Receiving activities shall follow these procedures to report receipt of discrepant shipments from procurement instrument sources. Unless otherwise allowed by these procedures, report discrepant shipments from a procurement instrument source to the owner with **a Receipt Transaction**, citing SCC L for the discrepant quantity. With the exception of the receipt of incorrect items, use a **single transaction** to report the receipt showing both non-discrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single **Receipt Transaction**:

C13.2.8.2.8.1. Condition of Material. Report the actual discrepant **quantity in SCC L**.

C13.2.8.2.8.2. Supply Documentation. Absence of the supply documentation should not prevent receipt processing and reporting or later issue of the material. Research in accordance with subparagraph C13.2.8.2.4., above, to report the receipt. The subparagraph C13.2.8.1. discrepancy reporting requirements still apply.

C13.2.8.2.8.3. Misdirected Shipments (improperly addressed by the procurement instrument source). Contact the owner to ensure compliance with the procurement requirements (i.e., inspection, acceptance, etc.). Report the total quantity in the actual condition received (normally A) with **a Receipt Transaction citing** Management Code S. Upon receipt of the **Receipt Transaction**, and prior to posting the receipt as available for issue, owners shall initiate immediate action to resolve the discrepancy. If the owner or CAO/PO directs reshipment/return of a reported receipt without issuing material release documentation, the receiving activity shall submit a **reversal of the previously submitted material Receipt Transaction**.

C13.2.8.2.8.4. Overage/Duplicate Shipment. Research the ARI file, receipt, and contract documentation to determine the discrepant quantity. Report confirmed duplicate shipments as discrepant with **a Receipt Transaction citing** SCC L. When overages are valued above the contract variance clause, or above the excess delivery clause (after considering any allowable variance), report the overage above the allowable variance as discrepant **with a Receipt Transaction citing** SCC L **and Management Code U**. Owners shall initiate immediate action to resolve the discrepancy upon receipt of the **Receipt Transaction**. Overages within the allowable variance or within the excess delivery clause (after considering any allowable variance) are not discrepant. Report the total quantity in the applicable condition, and do not cite a management code for that quantity.

C13.2.8.2.8.5. Packaging Discrepancy. Report the total discrepant quantity **as a** SCC L **receipt**. The owner and/or the CAO/PO shall determine whether litigation is required. If litigation is not required the owner shall initiate **DS to Federal IC 846A, Asset Reclassification Transaction**, to request the transfer of the suspended assets to the appropriate condition.

C13.2.8.2.8.6. Shortages/Nonreceipt of Material. Research the ARI file, receipt, and contract documentation to determine the discrepant quantity. For shortages, report the total quantity in the condition received. Except for shortages attributed to transportation discrepancies, the receipt is discrepant only if the shortage exceeds the allowable contract variance. When the receipt is discrepant, cite the management code in the **Receipt Transaction**. Non-receipts are addressed under section C13.3., below.

C13.2.8.2.8.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant **quantity citing** **SCC L**, and identify and describe the specific technical data discrepancy in the [SF364](#) or DS to Federal IC 842A/W, Standard SDR, Follow-up, Correction, Cancellation, & Reconsideration Request. If the owner determines the assets can be issued, the owner shall **initiate a DS 846A** to transfer the suspended assets to the appropriate condition.

C13.2.8.2.8.8. Wrong Item. Report any assets in the shipment that are the correct item in the applicable condition and do not cite the discrepant receipt management code for that quantity. **Report the total** quantity of the incorrect item received **in the Receipt Transaction citing** SCC L using a separate **Receipt Transaction**. If the majority of the assets are the incorrect item, the receiving activity may report the total quantity in SCC L based on internal DoD Component procedure.

C13.2.8.2.8.9. Product Quality Deficiency. It is normally preferable to keep custody of the material, whether or not it has been accepted. Report the deficient quantity **citing** SCC Q **in the Receipt Transaction**. The owner or CAO/PO shall determine if litigation or informal action with the procurement instrument source should be initiated. The owner shall take action to transfer the assets.

C13.2.8.2.8.10. Transportation Discrepancy. When material is accepted by the Transportation Officer, process and report the **Receipt Transaction** in accordance with procedures cited above for the type of discrepancy that exists (e.g., condition of material for damage, etc.).

C13.2.8.2.8.11. Receipts Not Due-In (no ARI file exists).

C13.2.8.2.8.11.1. Receipt Processing. Except for receipt of logistically reassigned items, see guidance in this section for processing receipts of misdirected shipments and overages/duplicate shipments, for which an ARI file is not normally available.

C13.2.8.2.8.11.2. Logistically Reassigned Items. For logistically reassigned items, research all available documentation and item markings to determine proper routing of the receipt. If unable to determine the correct routing, contact the IMM who shall direct the appropriate routing of the receipt. If the IMM (i.e., the GIM) does not have a recorded due-in, did not initiate the procurement action and/or has a record of a memorandum due-in, and the item was involved in an LR, the GIM should instruct the storage activity to report the receipt to the LIM.

C13.2.8.2.8.12. Other Discrepancies. Receipt reporting shall depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the appropriate authority before reporting the receipt or submitting the discrepancy report. See subparagraph C13.2.8.2., above, for storage and accountability requirements.

C13.2.8.2.9. Discrepant Receipt - Other than Procurement Instrument Source – General

C13.2.8.2.9.1. Identifying the NSN. When a receipt cannot be identified to an NSN, the receiving activity shall attempt to identify the NSN or usage by following subparagraph C13.2.8.2.1., above, procedures and report the receipt to the owner.

C13.2.8.2.9.1.1. Value Under \$100. If the NSN cannot be identified and the estimated value of the item is under \$100, receiving activities shall not report the receipt to an owner. Ship the material directly to reutilization and marketing using a local document number. Keep an accessible record of the transaction document and its backup for 2 years.

C13.2.8.2.9.1.2. Value Over \$100. If the NSN cannot be identified and the estimated value of the item is \$100 or more, the receiving activity shall contact the manager of like-items to determine disposition. If GSA is the manager of like-items, process in accordance with the procedures for receipts not due-in. If the manager of like-items can identify the NSN, the manager shall direct the receiving activity to **submit the receipt and SDR** to the owner. If the IMM of like-items cannot identify the NSN, the IMM shall give disposition instructions to the reporting activity. These

instructions shall include an item identification number (part number, etc.) for reporting the receipt and submitting the **SDR**. If the owner directs shipment to reutilization and marketing, the owner shall keep an accessible record of the transaction and its backup for 2 years.

C13.2.8.2.9.2. Discrepancy Reporting. Unless otherwise allowed by these procedures, receiving activities shall report receipts of discrepant shipments from a non procurement instrument source to the owner. For discrepant **quantities, cite the SCC** that most accurately describes the condition of the material **in the Receipt Transaction**. Classify and report the material **using SCC K** when the actual condition cannot be determined. Include Management Code R when a discrepancy report is required **unless prescribed otherwise in this chapter**.

C13.2.8.2.10. Reporting Discrepant Receipts - Other than Procurement Instrument Source. Receiving activities shall follow these procedures to report receipt of discrepant shipments from non-procurement instrument source. With the exception of the receipt of wrong items, use a single **Receipt Transaction** to report the receipt showing both non-discrepant and discrepant quantities in their appropriate SCC. The following discrepancy categories are not mutually exclusive; multiple discrepancy conditions may exist for a single **receipt**.

C13.2.8.2.10.1. Condition of Material

C13.2.8.2.10.1.1. No ARI File Exists. When inspection of inter-DoD Component receipts reveals material to be SCC H and no ARI file exists, automatically ship discrepant material valued at less than \$100 per item direct to the reutilization and marketing activity or take other automatic disposal action based on criteria issued by the DoD Components. This includes expired Type I shelf-life material which has passed the expiration date regardless of value. When taking automatic disposal action, cite SCC H and Management Code M or T **in the Receipt Transaction**, in addition to the discrepant receipt management code, for the discrepant quantity. To establish an audit trail when material is condemned upon receipt and shipped directly to reutilization and marketing, cite the disposal turn-in transaction number in the **Receipt Transaction** in addition to the original transaction number.

C13.2.8.2.10.1.2. Discrepancy Reporting. Report discrepant quantities other than those mentioned **above citing** the applicable SCC **in the receipt**, or SCC K when the condition cannot be determined.

C13.2.7.8.10.2. Supply Documentation. Absence of the supply documentation should not preclude receipt processing and reporting or later issue of the material. Research in accordance with subparagraph C13.2.8.2.4., above, to report the receipt. Discrepancy reporting requirements still apply.

C13.2.8.2.10.3. Misdirected Shipments (improperly addressed by the supply activity). Report misdirected shipments as receipts to the **cognizant IMM**. **The IMM** shall make disposition using **DS to Federal IC 940R, Material Release**.

C13.2.8.2.10.4. Overage. Report the total quantity received in the applicable condition.

C13.2.8.2.10.5. Packaging Discrepancy. Report the total quantity received in the applicable condition and schedule the discrepant quantity for preservation/packaging in accordance with the DoD Component criteria.

C13.2.8.2.10.6. Shortages/Nonreceipt of Material. For shortages, report the total quantity received in the applicable condition. The owner shall initiate any necessary financial adjustment action. Non-receipts are addressed under section C13.3., below.

C13.2.8.2.10.7. Item Technical Data Marking (includes nameplates, logbooks, operating handbooks, special instructions, etc.). Report the discrepant **quantity using a receipt citing** SCC D. Identify and describe the specific technical data discrepancy in the SDR for owner evaluation. If the owner determines the asset can be issued, the owner shall initiate action to transfer the asset to the appropriate condition **using DS 846A**.

C13.2.8.2.10.8. Wrong Item. Report receipt of the total quantity of the incorrect item in the applicable condition citing the NSN of the incorrect item received and the discrepant receipt management code for the quantity. If both correct and incorrect items are received in the same shipment, submit a separate **Receipt Transaction** for the correct item.

C13.2.8.2.10.9. Product Quality Deficiency. An SCC Q entered in an ARI file shows that the receipt is related to a reported product quality deficiency. Report receipt of this material in SCC Q and do not cite a management code. Based on the results of the inspection or technical/engineering analysis, owners shall direct the appropriate material disposition.

C13.2.8.2.10.10. Transportation Discrepancy. When the Transportation Officer turns the material over, report the receipt in accordance with the procedures cited above for the type of discrepancy which exists (e.g., condition of material for damage etc.).

C13.2.8.2.10.11. Receipts Not Due-In (no ARI file)

C13.2.8.2.10.11.1. GSA Managed Items. GSA does not normally authorize return of assets to DoD storage activities. Receipts not due-in are, therefore, considered DoD-owned assets that have not been reported to GSA under the material returns program. The DoD Components shall establish internal procedures for recording these assets on a storage activity record and an owner record within the DoD Component for later issue, excess reporting under the material returns program, or release for reutilization and marketing. In the absence of guidance from the DoD Components for reporting receipt of unauthorized return of GSA assets to their Component, DLA storage activities shall receipt the assets to the local Base Operating

Supply System (BOSS) for use by the depot. If the material cannot be used locally send it to disposal. This procedure ensures the assets are recorded on a DoD record.

C13.2.8.2.10.11.2. DoD-Managed Reparable Items. Report **the Receipt Transaction** to the manager of the shipping **DoD Component**. Do not include a discrepant receipt management code in the transaction. For material shipped between wholesale storage activities, report the receipt citing Reason for Material Receipt/Return Code N. IMM receiving transactions reporting returns not-due-in of phase II reparables, for which they are not the IMM, shall follow the material returns program procedures to report/ship the material as prescribed by the IMM.

C13.2.8.2.10.11.3. DoD-Managed Consumable Items. Report receipt to the IMM in the applicable condition and do not include a discrepant receipt management code in the transaction. However, the DoD Components may prescribe reporting to their own **item manager** for returns from their own Component activities.

C13.2.8.2.10.12. Other Discrepancies. Receipt reporting shall depend upon the type of discrepancy involved. When unusual circumstances exist, the receiving activity may need to get guidance from the owner before reporting the receipt or submitting the discrepancy report.

C13.2.8.3. Resolution of Reported Receipt Discrepancies.

C13.2.8.3.1. Owner Accountability Records. Owners shall maintain accurate material accountability records and audit trails for reported receipts with evidence of a supply discrepancy. Resolution of these discrepancies requires the establishment of interfaces among the material accountability, procurement, financial accounting, and discrepancy reporting systems.

C13.2.8.3.2. Owner Processing Discrepant Transactions. When discrepant receipts are reported, owners shall process the transactions and complete the research required to resolve the discrepancy. When material received from a procurement instrument source will be kept in the wholesale inventory, coordinate with the CAO/PO for a contract modification that will recoup any administrative costs and any additional second destination transportation costs or onward shipment (redistribution) costs incurred by the U.S. Government as a result of the discrepancy. For all receipt discrepancies, ensure that procurement/supply due-in records and related financial accounts (including in-transit) are corrected to show any new receipt status and transmit updates to ARI to the storage activities involved, as required. Care must be taken to suppress ARI transaction output if the corresponding receipt has already been reported (e.g., for overages or misdirected shipments being kept where delivered).

C13.2.8.3.3. Owner Evaluation Data. Owners shall develop management evaluation data for contract overages and vendor caused misdirected shipments for use in identifying trends or indications of system problems and in initiating corrective action. When the same discrepancy is repeatedly reported on shipments from a given procurement instrument source, the owner, through the CAO/PO, shall advise the source

of the error and request action be taken to correct its repeated occurrence. When a procurement instrument source continues to commit the same error, initiate action to consider inclusion on the Awards Review List or other disciplinary action.

C13.2.9. Maintaining Accountability During Maintenance Actions

C13.2.9.1. Responsible Activity Actions. When responsibility for keeping the property accountability record for DoD-owned property has been assigned to an activity other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C13.2.9.2 Applicability. These procedures apply for returns to inventory including unused material, relocations of material for maintenance, and receipts from assembly, disassembly, reclamation, conversion, modification, repair and destructive or nondestructive test/evaluation consigned by the Department of Defense, other U.S. Government (non-DoD) agency, or commercial activities.

C13.2.9.3 Exclusions. These procedures exclude repair and return material owned below the wholesale distribution system; however, storage activities shall maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.

C13.2.9.4. Requirements

C13.2.9.4.1. Dues-In and ARI. Owners (principals for maintenance by DMISA) shall establish **DS to Federal IC 527D** (Due-In) when material is being returned from field activities to wholesale storage activities or to commercial activities for maintenance. Also, send DS 527D (ARI) to receiving Government storage activities. These actions shall be done upon receipt of MRP transactions, or equivalent intra-service documents, reporting return of material. (The DoD Components may delegate the ARI requirement to intermediate level or transshipment activities.)

C13.2.9.4.2. Material Relocation. When owners direct relocation of material from a remote storage activity to the storage activity collocated with the maintenance activity, they shall establish DS 527D (Due-In) for the intransit material and send DS 527D (ARI) to the receiving storage activity following Chapter 12.

C13.2.9.4.2.1. Receiving Storage Activity Reporting. Receiving storage activities shall report receipt of reparable material based on the information contained in the ARI file. If an ARI file is not available, report the receipt in accordance with subparagraph C13.2.8.2.7.10.1., above, for processing receipts not-due-in for reparable items.

C13.2.9.4.2.2. Inter-DoD Component Agreements. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify the material control requirements. The agreement shall also specify to include whether the storage activity will report returns from maintenance to the

owner (Principal) as receipts under this chapter, or as transfers from SCC M under the Chapter 7.

C13.2.9.5. DoD Component Actions. Each DoD Component shall ensure that:

C13.2.9.5.1. Owned Inventory Accounting. Owned inventory in the hands of the Department of Defense, other Government (non-DoD), and commercial activities, is properly accounted for under the provisions of **Chapters 6, Chapter 7, Chapter 13, and Chapter 14 of this volume** and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet this requirement (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.5.2. Property Accountability Records. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of material actually returned and shall support the [DoD 7000.14-R](#) accounting and reconciliation requirements (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.5.3. Commercial Maintenance Contracts. Contracts for commercial maintenance require the commercial activity to report or acknowledge receipt and report shipment or condemnation of material to the contracting officer (Responsibility of the agent for maintenance by DMISA).

C13.2.9.5.4. Procurement/Supply Interface. Any needed interface between the procurement and supply operations/functions exists to ensure that reported data is sent to the owner (Responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to the contracting officer and/or the owner using DLMS transactions. Reported data affecting inventory balances is recorded in the total item property record (Responsibility of the owner (Principal for maintenance by DMISA)).

C13.2.9.6. Item Owner Actions. Owners shall establish due-in records for expected returns from commercial and Government maintenance activities and provide ARI to the storage activities to receive the material under Chapter 12. Storage activities shall report receipts under section C13.2., above.

C13.2.9.7. Issue from Commercial Activity. When material is issued to a customer directly from a commercial activity, ensure that appropriate supply transactions are processed to establish the property accountability and financial accounting audit trails. Depending on the Component system business rules, this may require either a receipt and issue, or a condition code change and issue.

C13.2.9.8. Condemned Material. When material is condemned by maintenance activities, ensure the condemnation action is recorded (inventory adjustment-decrease) to adjust the DoD inventory and financial accounts.

C13.2.9.9. Reclaimed Items

C13.2.9.9.1. Identification of Serviceability. When reclamation activities do not have adequate facilities to test and classify the serviceability condition of reclaimed assets, activities shall identify such **assets as SCC R** (Suspended Reclaimed Items Awaiting Condition Determination). When receiving storage activities determine that immediate classification of such SCC R assets is not possible, they shall ensure assets are checked/tested and classified to actual condition within established parameters.

C13.2.9.9.2. Assigning Condition Code. When reclamation activities cite an actual SCC (i.e., other than R) for returned material, storage activities shall cite that condition code when recording and reporting the receipt. However, if inspection upon receipt reveals that the condition assigned by the reclamation activity is incorrect, the storage activity shall record and report the receipt citing the actual condition to which the item is classified or SCC K if the actual condition cannot be determined. Classify material reported in SCC K to the actual condition within established parameters.

C13.2.10. Loaned Material

C13.2.10.1. Material Inspection. Receiving activities shall inspect loaned material upon receipt. Submit a **Receipt Transaction** in accordance with section C13.2., citing Reason for Material Receipt/Return Code H, to provide information about the condition and quantity of the returned loaned material.

C13.2.10.2. Resolution of Loaned Material. The owner is responsible for final determination and resolution of returned U.S. Government property from loan. Establish controls to ensure the material is returned in an appropriate condition, i.e., as good as or better than the condition of the original loan issue. Take appropriate action to resolve any discrepancies and ensure reimbursement to the loaning activity.

C13.2.11. Logistics Reassignment Receipt Processing after Effective Transfer Date (ETD)

C13.2.11.1. Procurement Instrument Processing. The storage activity shall process procurement instrument source receipts for LR material received after 1 year past ETD, in the same manner that they process procurement instrument source receipts received during the ETD to 1-year period.

C13.2.11.2. Storage Activity Actions. For receipt of material that has been logistically reassigned, after the ETD, the receiving storage activity shall perform the following:

C13.2.11.2.1. Report Receipts. Report receipts of items having ARI files, in accordance with section C13.2.

C13.2.11.2.2. Report Procurement Instrument Source Receipt. Report procurement instrument source receipts for which there is no ARI file in accordance with subparagraph C13.2.8.2.4., above, guidance for processing receipts not-due-in.

C13.2.11.2.3. Report Non-procurement Instrument Receipt. Report non-procurement instrument receipts for which there is no ARI file in accordance with subparagraph C13.2.8.2.4., above, guidance for processing receipts not-due-in.

C13.2.11.3. LIM Actions. The LIM shall do the following actions:

C13.2.11.3.1. Process Storage Activity. Process the storage activity initiated **Receipt Transactions** to reduce the due-in record and record assets on **the LIM record** for the quantity received.

C13.2.11.3.2. Process Logistics Transfer Transaction. Process the associated logistics transfer/decapitalization transaction, adjustment transaction, and LR storage ownership transfer transaction in accordance with Chapter 9.

C13.2.11.3.3. Record Litigation Assets. For material received for which litigation is required, record assets on the LIM owner record in SCC L and reduce the due-in record.

C13.2.11.3.3.1. At this time, no action shall be taken by the LIM to remove or change the GIM's memorandum due-in.

C13.2.11.3.3.2. When litigation is completed and the material is reclassified to an issue condition, process the associated adjustment transaction and LR transfer/decapitalization transactions in accordance with Chapter 9.

C13.2.11.3.3.3. If material is returned to the contractor due to litigation proceedings notify the GIM in accordance with Chapter 9.

C13.2.11.3.3.4. The LIM must take appropriate action to reestablish a due-in, in accordance with Chapter 12 if the material being returned to the contractor for deficiency correction will eventually be returned to the LIM.

C13.2.11.4. Reject Receipt as Appropriate. If a procurement instrument source receipt for an LR item is incorrectly reported to the LIM or the GIM, and the LIM or GIM does not have a recorded due-in, did not initiate the procurement action, and/or has a record of a due-in or memorandum due-in and is able to determine the appropriate reporting for the receipt, the LIM or GIM should reject the receipt back to the initiator using **DS to Federal IC 824R, Reject Advice**, and citing Reject Advice Code AB (**go to and enter advice code, click submit at: <https://www.dla.mil/j-6/dlms/eApplications/Logdrms/logview/LQVSearch.asp>**).

C13.3. **INQUIRY** ON IN-TRANSIT DUE-INS

C13.3.1. Submission Timeframe. When a maximum of 45 calendar days have elapsed since the shipping date shown in shipment notification, and receipt of the total quantity has not been reported, the owner shall submit a **Receipt Inquiry Transaction** for information on the in-transit quantities to the storage activities designated to receive the material. (Extension of the 45 calendar day timeframe is authorized when long in-transit times are involved.)

C13.3.2. Tracer Action. When the storage activity response shows that the material has not been received, initiate any shipment tracer and/or discrepancy reports required under the procedures cited in paragraph C13.2.8., above. Coordinate with the CAO/PO for in-transit contract receipts. Storage activities shall submit shipment tracers and discrepancy reports for material not received as shown in the DoD Component implementing procedures or when directed to do so by the owner.

C13.4. **STORAGE ACTIVITY RESPONSE TO INQUIRY ON MATERIAL RECEIPT**

C13.4.1. **Material Receipt Previously Processed**. When material has been received, **and a receipt was previously submitted, storage activities shall submit a duplicate Receipt Transaction citing Advice Code 3P.**

C13.4.2. Receipt in Process. **When the storage activity has the receipt in process, storage activities shall reply using the Response to Inquiry Transaction citing Advice Code 3K.**

C13.4.3. Nonreceipt of Material. **For nonreceipt of material, storage activities shall reply using the Response to Inquiry Transaction citing Advice Code 3N which indicates that the storage activity has no receipt in process and no record of the due-in.**

C14. CHAPTER 14

ISSUE, LOAN, DEMAND, AND AMMUNITION FREEZE/ UNFREEZE TRANSACTIONS

C14.1. GENERAL

C14.1.1. This chapter provides a standard procedure for processing DS to Federal IC 867I, Issue, information from distribution depots to owner/IMM for the purpose of:

C14.1.1.1. Updating the owner/IMM record.

C14.1.1.2. Recording the appropriate financial transaction.

C14.1.1.3. Providing a basis for billing the customer.

C14.1.2. Processing points receiving requisitions, passing actions, follow-ups and cancellations, irrespective of format or method of transmission, will process such transactions in accordance with their respective internal procedures.

C14.1.3. Internal processing methods may vary due to automated capability and related procedures; however, the formats for output from processing point to requisitioner and between processing points will use the formats prescribed in this manual.

C14.1.4. This chapter also provides for processing by the Single Manager For Conventional Ammunition (SMCA) of freeze and unfreeze actions.

C14.2. ISSUE TRANSACTIONS.

C14.2.1. Issue transactions are used to convey issue data to the ICP or IMM using DS 867I, Issue. Issue transactions resulting from a backorder release are identified by issue transaction related Management Code M.

C14.2.2. Material from an Army Medical Material Agreement (AMMA) site may be issued using local catalog identification numbers.

C14.3. MAINTAINING ACCOUNTABILITY DURING MAINTENANCE ACTIONS

C14.3.1. Applicability. When responsibility for maintaining the property accountability record for DoD-owned property has been assigned to an activity other than the owner, the responsible activity shall execute the owner's actions set forth in this section.

C14.3.1.1. These procedures apply to issues from inventory for assembly, disassembly, reclamation, conversion, modification, repair, and destructive or nondestructive test/evaluation consigned by DoD, other Government (non-DoD) Agencies, and commercial activities. Transfers to SCC M are covered under Chapter 7.

C14.3.1.2. These procedures exclude repair and return of material owned below the wholesale distribution system. However, storage activities shall maintain visibility and the property accountability record for these assets pending issue to maintenance and upon their return from maintenance.

C14.3.2. Requirements

C14.3.2.1. Collocated Storage Activity. When the maintenance activity is collocated with a DoD storage activity, owners shall direct material into maintenance only from the collocated storage activity. When necessary, owners shall relocate material from remote storage activities to the storage activity collocated with the maintenance activity using DS to Federal IC 940R, Material Release. The action shall be posted to the property accountability record using either DS to Federal IC 867I, Issue (Relocation) or DS to Federal IC 945A, Material Release Advice, showing relocation between storage activities without change in ownership. The due-in and ARI for controlling such relocations, which are processed under Chapter 13, may include **Management Code V** to identify material for immediate issue to transfer to maintenance. The DoD Components may apply processing techniques triggered by Management Code V to preclude physical storage of the material pending its release to the maintenance activity.

C14.3.2.2. Organic Maintenance. When material is scheduled for organic maintenance by DMISA or other inter-DoD Component agreement, the agreement shall specify property accountability and material control requirements. The agreement shall also indicate whether the owner (Principal) will direct the issue of material to the maintenance activity under this section or the storage activity will transfer the material to the maintenance activity based on the repair schedule and report the transfer to SCC M under Chapter 7.

C14.3.2.3. DoD Component Actions. Each DoD Component shall ensure that:

C14.3.2.3.1. Owned inventory in the hands of the Department of Defense, other Government (non-DoD), and commercial activities, is properly accounted for under the provisions of Chapters 6, Chapter 7, Chapter 12, and Chapter 13 and, for commercial maintenance, the provisions of the Federal Acquisition Regulation. This includes returns from field activities for repair and reissue as wholesale inventory. The DoD Components shall prescribe use of any required internal codes to meet this requirement. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.3.2. Total item property records for material in the hands of maintenance activities are maintained and adjusted based on the quantity of material actually returned and shall support the [DoD 7000.14-R](#) accounting and reconciliation requirements. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.3.3. Contracts for commercial maintenance require the commercial activity to report or acknowledge receipt and report shipment or condemnation of material to the contracting officer (Responsibility of the agent for maintenance by DMISA).

C14.3.2.3.4. Any needed interface between the procurement and supply operations/functions exists to ensure that reported data is sent to the owner. (Responsibility of the agent for maintenance by DMISA). Arrangements may be made for commercial activities to report directly to the contracting officer and/or the owner using DLMS transactions.

C14.3.2.3.5. Reported data affecting inventory balances is recorded in the total item property record. (Responsibility of the owner (Principal for maintenance by DMISA)).

C14.3.2.4. Owners (Principals for maintenance by DMISA) shall issue material from storage for maintenance action using the process in subparagraph C14.3.2.1., above. Issues should be posted to the property accountability record using either the DS 867I series of transactions, or an image of DS 945A. Include any internal coding needed for proper financial accounting in the transaction.

C14.4. ISSUE TO DRMO OF SUPPLY CONDITION CODE (SCC) Q MATERIAL. When an inspection or technical/engineering analysis reveals a product quality deficiency which prohibits further DoD use of the material, the ICP will direct the transfer of the material to the DRMO in SCC Q. Disposal release orders and related issue transactions for this material must cite either Management Code O (alpha) to identify deficient material which does not require mutilation or Management Code S to identify deficient material which requires mutilation. DRMS will perform mutilation in accordance with existing guidance for the NSN/type of material. The ICP should identify to DRMS any unique instructions for disposal requiring specific methods or information regarding hazardous constituents contained in the item.

C14.5. BACKORDER TRANSACTIONS. Backorder transactions are not considered essential to supply operations under DLMS (consensus reached by the DLMS Supply Process Review Committee (PRC)).

C14.6. DEMAND TRANSACTIONS. Demand transactions, DS 867D, Demand Reporting, may be used between supported activities and ICPs to report the establishment or cancellation of supply system demands, or may be used by ICPs as a technique for recording and accumulating demands for NSN items resulting from

processing DLMS requisitions, passing orders, or other forms of supply system demands.

C14.7. LOAN TRANSACTIONS

C14.7.1. When authority is given to loan Government-owned material, supporting documentation pertaining to the terms and conditions of the loan will be maintained in a manual jacket file. As a minimum, the file should contain appropriate records to provide information on the purpose of the loan/authorization, location(s) of the material, condition of material at time of loan, loan duration, quantity, and value of material loaned.

C14.7.2. If accountability is dropped, issue (loan) transaction DS 867I shall be used to loan material from depot inventory to authorized recipients. Some centralized systems do not use DS 867I for effecting issues; however, the method applied should show the issue of loan material for audit and accountability purposes. For a decentralized system, the DS 867I transaction, if created by other than the IMM, may be used.

C14.8. SMCA FREEZE/UNFREEZE ACTIONS

C14.8.1. Processing of **DS** 846R, Location Reconciliation Request, transactions such as mismatched location audit reconciliation requests or material release denials (DS 945A, Material Release Advice) may require the SMCA to freeze and, when resolved, to unfreeze wholesale assets at a specific storage activity for a given stock or part number, ownership/purpose code, and SCC.

C14.8.2. When such freeze or unfreeze actions are taken, the SMCA shall provide SMCA freeze/unfreeze action (DS 846F, Ammunition Freeze/Unfreeze)) to the owning Component ICP for update of the ICP wholesale financial accountable records.

C15. CHAPTER 15

INSTALLATION CLOSURE PROCEDURES

C15.1. GENERAL. This chapter provides procedures and specifies timeframes for installation closures. They are intended to systematically curtail supply support, transfer mission-essential material, transfer excess material, and redirect mission-essential requisitions for or from activities affected by installation closures. Included are procedures for reporting all installation-owned property not to be transferred with the mission to new location(s).

C15.2. APPLICABILITY AND SCOPE. These procedures and timeframes apply to all DoD installations, both CONUS and OCONUS; DoD tenant and satellite activities; DoD ICPs, DoD IMM; and to GSA activities processing reports for material no longer required as a result of an installation closure.

C15.3. EXCLUSIONS. In addition to exclusions cited in Chapter 11, these procedures do not apply to the following:

C15.3.1. Inter-departmental and intra-departmental purchasing operations.

C15.3.2. Forms and publications. (However, use DS to Federal IC 511R, Requisition, when submitting requirements for these items to GSA and Navy. See Chapter 4 for requisitioning procedures.)

C15.3.3. Communications security (COMSEC) equipment, COMSEC aids (keying material), and all items including classified components, individual elements, and repair parts, which are classified and designated crypto, or which are normally handled through crypto channels.

C15.3.4. Related personal property reportable to GSA as a part of a real estate package. Related personal property is classified as any property which is:

C15.3.4.1. An integral part of real property or is related to, designed for, or specially adapted to functional or productive capacity of real property and removal of this personal property would significantly diminish the economic value of real property. Normally, common use items, including, but not limited to, general purpose furniture, utensils, office machines, office supplies, or general purpose vehicles are not considered related personal property.

C15.3.5.2. Determined by GSA to be related to real property.

C15.3.5.3. Installed property (Class II Plant Property).

C15.3.5.4. Real property.

C15.4. INSTALLATION CLOSING PROCEDURES

C15.4.1. Stratification of Inventory

C15.4.1.1. Installation Procedures. Do an inventory of all installation-owned property upon receipt of a confirmed closure date. The inventory shall include, but not be limited to, nonconsumable items (recoverable/capitalized assets and assets on table of allowances) and consumable items (assets on stock fund records). Each designated account shall maintain its identity. Stratify an inventory applicable to each designated account into three classes of property:

C15.4.1.1.1. Mission-essential – to be transferred to a new location with the mission.

C15.4.1.1.2. Not mission-essential – required for local operations during the period prior to closure.

C15.4.1.1.3. Excess to operational needs.

C15.4.1.2. Tenant and Satellite Activities. Each tenant and/or satellite activity having custody of installation-owned property shall return that property to the installation. Accountable records shall show the returns. Use procedures in subparagraph C15.4.1.1, above, to inventory and stratify tenant-owned and satellite-owned property.

C15.4.1.3. Stock Fund. Relocate the DoD Component managed stock fund items with the mission, if mission-essential, or redistribute within the DoD Component Defense Business Operation Funds. Relocate IMM items with the mission, if mission-essential, or report to the IMM for disposition instructions.

C15.4.2. In-Process Requisitions

C15.4.2.1. Requisition Review. Simultaneously with doing the inventory, do a review of the installation requisitions. Identify requisitions which will be:

C15.4.2.1.1. Continued for shipment to the unit's relocation site.

C15.4.2.1.2. Continued for operational requirements until closure.

C15.4.2.1.3. Canceled as excess to operational needs. Do cancellation by single-line cancellation if time permits. See Chapter 4 for requisition cancellation procedures.

C15.4.2.2. Sixty-Day Review. Sixty calendar days prior to closure date, review all requisitions again for need. If required, identify requisitions for shipment to the relocation site. Use single-line requisition cancellation procedures to cancel

requisitions not required. When time is insufficient to effect single-line cancellations, use the mass or universal cancellation procedures under Chapter 4.

C15.4.3. Disposition of Inventory

C15.4.3.1. Time-Phased Closing Schedule. The activity being closed shall develop a time-phased schedule to transfer mission-essential property to new location(s) of the mission(s). The schedule will plan movement of property at the earliest date without impeding the mission prior to transfer. Transfer mission-essential property to new location(s) after transfer of the mission only in those circumstances where mission-essential items are required, up to and including the last day prior to mission transfer.

C15.4.3.2. Review of Non-Mission-Essential Items. In actions involving an installation closure, review and process all items not mission-essential under provisions of DoD Directive 5410.12. Begin initial review of installation-owned items immediately upon completion of the inventory, including items identified as excess and items identified as being necessary for operation of the installation prior to closure. Using these item lists as the basis, make preliminary identification of related personal property as defined by the Directive.

C15.4.3.3. Review of Host Country Agreements. In actions involving closure of OCONUS installations, review and process all items that are not mission-essential and/or will not be transferred with the activity under agreements between the United States and host country. Begin the review immediately upon completion of the inventory, including those items identified as necessary for operations of the installation prior to closure.

C15.4.3.4. Reporting Excess Material. Immediately upon completion of the inventory and, if time permits, not less than 6 months prior to the announced date of closure, report all property identified as excess to needs of the installation and not included in the preliminary list of related personal property to the appropriate ICP/IMM under Chapter 11 procedures.

C15.4.3.5. Property Stratification for Installation Operations. Stratify all not mission-essential property, but required to operate the installation for all or a portion of the time remaining until closure and which is not included in the preliminary list of related personal property. Stratify items in date order they will become excess to operational needs. Sixty calendar days prior to the date that each item will become excess, report the items to the ICP/IMM under Chapter 11 procedures.

C15.4.3.6. Reporting Personal Property Items. Report items identified as related personal property (see subparagraph C15.4.3.2, above) to the ICP/IMM using DS to Federal IC 180M, Material Returns Reporting, and indicating Project Code 3QQ. Project Code 3QQ informs the ICP/IMM that the item has been placed on the

preliminary inventory of related personal property designated to be transferred to the local community at the time of installation closure. If there is a DoD requirement, delete the item(s) from the inventory of related personal property. Do not report related personal property to GSA under Chapter 11 procedures.

C15.4.3.7. Processing Excess Material. Items reported to ICPs/IMMs as excess under the above guidance and Chapter 11 procedures, and the ICPs/IMMs have indicated a requirement, shall be processed using ICP/IMM material returns instructions (DS to Federal IC 870M applies).

C15.4.3.8. Excess Item Disposal. Dispose of all items reported to the ICPs/IMMs as excess, and items ICPs/IMMs have provided DS 870M with Status Code TC, plus items not reportable to ICPs/IMMs (e.g., locally purchased non-NSN items) under DoD Component procedures. All items identified as related personal property (see subparagraph C15.4.3.2, above) and there is no DoD requirement, shall remain with the installation.

C15.4.3.9. Inactive NSNs. Distribution centers having obsolete or inactive coded NSNs on record that are without an accompanying item manager record will locally prepare a disposal release order (DRO), DS 940R citing Utilization Code M.

C15.5. PROCEDURES FOR THE INVENTORY CONTROL POINT/INTEGRATED MATERIAL MANAGER.

C15.5.1. ICPs/IMMs shall process DS 180M received for property resulting from installation closure using Chapter 11 procedures. ICPs/IMMs shall not direct the return of related personal property identified by Project Code 3QQ unless the item is required to meet an approved force acquisition objective and/or approved pre-positioned war reserve requirement.

C15.5.2. When appropriate, ICPs/IMMs will direct disposal of material resulting from Base Realignment and Closure (BRAC) under chapter 4 procedures for directing material to DRMS. The resulting DRO, DS 940R, will contain Utilization Code M.

a. U.S. Forces	Number	Value ⁹
b. MAP/Grant Aid	Number	Value ¹⁰
Percentage of accomplishment (line 6 divided by line 5).	Percent	Percent
Reinstatement requests received: ¹¹		
a. Army	Number	Value ¹²
b. Navy	Number	Value ¹³
c. Air Force	Number	Value ¹⁴
d. Marine Corps	Number	Value ¹⁵
e. Other DoD	Number	Value ¹⁶
Reinstatements accomplished: ¹⁷		
a. U.S. Forces	Number	Value ¹⁸
b. MAP/GA	Number	Value ¹⁹
c. Air Force	Number	Value ²⁰
d. Marine Corps	Number	Value ²¹
e. Other DoD	Number	Value ²²

the logistics system have confirmed that shipment/procurement action has been stopped.

⁹ Express all dollar values in thousands.

¹⁰ Express all dollar values in thousands.

¹¹ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹² Express all dollar values in thousands.

¹³ Express all dollar values in thousands.

¹⁴ Express all dollar values in thousands.

¹⁵ Express all dollar values in thousands.

¹⁶ Express all dollar values in thousands.

¹⁷ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹⁸ Express all dollar values in thousands.

¹⁹ Express all dollar values in thousands.

²⁰ Express all dollar values in thousands.

²¹ Express all dollar values in thousands.

²² Express all dollar values in thousands.

C16. CHAPTER 16

REUTILIZATION AND MARKETING

C16.1. REQUISITIONING DoD EXCESS PERSONAL PROPERTY FROM THE DEFENSE REUTILIZATION AND MARKETING SERVICE¹

C16.1.1. General

C16.1.1.1. Excess Property Requisition. DoD activities and, under certain circumstances, authorized Federal civil agencies, requisition excess personal property through the DRMS or directly from a DRMO. Activities shall request, through an accountable supply officer, only that property authorized by parent headquarters or command and shall not request quantities of property that exceed authorized retention quantities. The DoD Component shall give DRMS the Federal condition codes that are acceptable in relation to the SCC being requisitioned. DRMS maintains the Integrated Disposal Management System (IDMS), a standardized and centralized control and accounting system for all excess and surplus personal property located in DRMOs, and provides visibility of such property through a variety of utilization screening procedures. (See DoD 4160.21-M for utilization policy and procedures.)

C16.1.1.2. Use of DS 511R. DoD activities shall send requisitions using DS to Federal IC 511R, Requisition, for excess personal property to DRMS. The requisition may be hand carried to DRMO for property previously selected, scheduled for pickup, or required as a result of screening at DRMO. Always cite the DoDAAC of the DRMO in requisitions hand carried to a DRMO. Activities or units unable to send requisitions electronically may forward them directly to DRMS by mail or by narrative message, but shall consider this a nonstandard procedure and discontinue its use as soon as the ability to use an electronic method is realized.

C16.1.2. Submission of Requisitions to the DRMS

C16.1.2.1. Procedures. Submit DS 511R to DRMS using requisition preparation procedures under Chapter 4. Use Utilization Code K, L, R, S or T, Signal Code D or M to denote free issue within DRMS; Advice Code 2J to indicate fill or kill, as appropriate; and, if applicable, indicate the appropriate SCC and the corresponding minimum acceptable disposal condition code. Identify DTID number or Excess Report Number (ERN) (and DTID suffix, if applicable) when requisitioning a specific item. Use [DD Form 1348-1A](#), for hand-carried requisitions to a DRMO when picking up property. Authorized Federal civil agencies may use Standard Form [\(SF\) 122](#), Transfer Order-Excess Personal Property, or any other transportation order form approved by GSA under Federal Property Management Regulation, subchapter 4, part 101-43, to

¹ AMCL 139A not implemented by DLA.(ic01-03)

requisition excess/surplus property from the DRMS. Refer to section C16.2, below, when requisitioning small arms from DRMS.

C16.1.2.2. DAAS Editing. DAAS edits requisitions to determine if the requisition is for excess personal property as follows:

C16.1.2.2.1. Utilization Code and SCC. If the requisition contains Utilization Code K, L, R, S or T and SCC, DAAS shall route the requisition to DRMS. If the requisition does not contain SCC, but does contain a DTID number, DAAS shall route the requisition to DRMS.

16.1.2.2.2. No SCC or DTID. If the requisition does not contain an SCC and does not contain a DTID number, but is directed to the DRMS, DAAS shall reject the requisition back to the message originator with a clear-text message stating, INVALID FORMAT FOR DRMS REQUISITION.

C16.1.2.2.3. Exceptions. If conditions in the previous two sections are false, DAAS shall continue the requisition processing.

C16.1.2.2.4. Requisitions Directed to DRMS. If the requisition is directed to DRMS and there is an SCC that does not contain Utilization Code K, L, R, S, or T, DAAS shall route the requisition to DRMS.

C16.1.2.2.5. No SCC or Utilization Code. If the requisition does not contain an SCC or Utilization Code K, L, R, S, or T, but has a DTID number, DAAS shall route the requisition to DRMS.

C16.2.2.6. No SCC, Utilization Code, or DTID. If the requisition does not contain an SCC, Utilization Code K, L, R, S, or T nor a DTID number, but does contain DRMS DoDAAC SC4400, DAAS shall reject the requisition back to the message originator with a clear-text message stating, INVALID FORMAT FOR DRMS REQUISITION.

C16.1.2.3. Requisition Status. DAAS shall provide DS to Federal IC 870S, Supply Status, with Status Code BM to the requisitioner for validated excess personal property requisitions. DAAS shall also process DRMS requisitions with part numbers to obtain an NSN. DAAS shall change part number to NSN, as appropriate, pass the requisition to DRMS, and provide DS 870S, with Status Code BG to the requisitioner. If an NSN is not found, DAAS shall reject the requisition with DS 870S.

C16.1.3. Receipt of Requisitions by DRMS. Upon receipt of the requisition, DRMS shall select the requested item for issue or provide appropriate supply status if not available. If requested material is not available, DRMS shall keep the requisition in the requisition retention file for 60 calendar days and send DS 870S with Status Code B1 to the requisitioner. If all of the requested material does not become available during the

60 calendar-day retention period, DRMS shall cancel the remaining unfilled quantity and send DS 870S with Status Code D1 to the requisitioner.

C16.1.4. Processing Requisitions by DRMS

C16.1.4.1. Material Release. DRMS shall send DS to Federal IC 940R, Material Release, to DRMO if stock is available. DRMS shall perpetuate DTID number or ERN on DS 940R whenever a specific item is requisitioned. DRMO shall confirm or deny, as appropriate, all MROs received from DRMS. DRMO shall use DS to Federal IC 945A, Material Release Advice, with appropriate transaction type codes, to respond to follow-ups, cancellations, and modifications.

C16.1.2. Single Line-Item Cancellations. DRMS shall process single line-item cancellation requests or requisition modifiers if the MRO has not been sent to the DRMO or if the requisition is on the requisition retention file. DRMS shall not process mass cancellation requests.

C16.1.4. Material Issue. When the DRMO issues material resulting from hand-carried requisitions, the DRMO shall prepare a DS 945A with Transaction Type Code NJ and send it to DRMS.

C16.1.5. Procedures. DRMS shall respond to follow-ups using Chapter 4 procedures.

C16.2. REQUISITIONING CONVENTIONAL SMALL ARMS FROM DRMS

C16.2.1. Applicability. Conventional small arms include:

C16.2.1.1. Handguns

C16.2.1.2. Shoulder fired weapons

C16.2.1.3. Light automatic weapons up to and including .50 caliber machine guns

C16.2.1.4. Recoilless rifles up to and including 106mm

C16.2.1.5. Mortars up to and including 81mm

C16.2.1.6. Rocket launchers, man portable

C16.2.1.7. Grenade launchers, rifle and shoulder fired

C16.2.1.8. Individual operated weapons that are portable and/or can be fired without special mounts or firing devices and that have potential use in civil disturbance activities and are vulnerable to theft. This covers all weapons meeting this criterion,

regardless of the origin (including foreign, commercial, confiscated, and non-appropriated funds weapons and museum pieces) or if the weapons are NSN items.

C16.2.2. Federal Supply Classification. Conventional small arms generally fall into one of the following FSCs: 1005, 1010, 1015, 1025, 1040, 1055, 1090, and 1095; however, do not consider this list as all inclusive. DRMS shall treat any weapon meeting the general guidelines of a small arms weapon accordingly, regardless of FSC.

C16.2.3. Requisition Submission. The accountable supply officer shall send all DoD requisitions for small arms to the CONUS IMM. All requisitions must include the DTID number or ERN, as appropriate, and the PCH&T citations. DRMS or DRMO shall only accept requisitions for small arms from the CONUS IMM. DRMS or DRMO shall reject all others back to the requisitioning activity using DS 870S. Requisitions approved by the IMM shall be mailed to DRMS, Battle Creek, MI 49017-3092, ATTN: DRMS-U.

C16.3. PREPARATION OF SHIPMENTS TO DRMOs²

C16.3.1. Shipments/Transfers. For shipments/transfers to DRMOs, supply sources shall send DTID ([DD Form 1348-1A](#) or [DD Form 1348-2](#)) and documentation for in-transit control of property identified by an NSN or local stock number (excluding scrap [SCC S], waste, non-appropriated fund activity, and lost, abandoned, or unclaimed privately owned personal property) shipped/transferred to a DRMO. DTID and documentation will control the shipment from the time of release by a shipping activity until receipt of the property by DRMO. Supply sources shall send a DS 856S shipment status transaction to DRMS for each DTID sent to DRMO, regardless of dollar value.

C16.3.1.1. Status Transactions With Value of \$800 or More. Only those shipment status transactions, DS 856S, applicable to shipments/transfers of usable property directed to DRMOs with a line-item value of \$800 or more (unit price per FLIS) and for all shipments/transfers of pilferable or sensitive items (based on Controlled Item Inventory Code (CIIC)) regardless of dollar, value shall be entered into the in-transit control system (ICS). The extended value of the shipment shall be determined by document number, quantity, and unit price.

C16.3.1.2. Shipment/Transfer Monitoring. ICS provides a means to monitor shipments/transfers to DRMOs. This system also provides a capability for DRMS to give information to the DoD Component concerning the shipment/transfer of property to DRMOs.

² Requirement to provide shipment status to DRMS on all shipments regardless of dollar value: Refer to AMCL 16. Requirement to provide the unit prices on shipment status to DRMS: Refer to AMCL 17. Establishing in-transit control procedures to DRMOs: Refer to AMCL 158B.

C16.3.2. Material Acceptability. These procedures do not negate the authority of DRMO to refuse acceptance of accountability and physical receipt of certain types and classes of material as prescribed by [DoD 4160.21-M](#). If material is not acceptable for these reasons, and the shipment is rejected/returned to the shipper, DRMO shall provide notice of rejection to DRMS under existing procedures, thus purging the ICS file. Guidance on shipment notices and ICS processing is applicable only to useable items being shipped/transferred to DRMO.

C16.4. DIRECTING MATERIAL TO THE DRMS

C16.4.1. General. Supply sources use DS 940R to direct and control issue of supply system stocks on their accountable records to disposal. Supply sources shall send disposal release orders (DROs) to the storage site having custody of the stock and result in the preparation of DD Form 1348-1A (or [DD Form 1348-2](#)). If the item is classified in SCC Q and is being sent to a DRMO, DS 940R shall contain Management Code BS or BT, as appropriate, to indicate if material is hazardous to public health and/or safety and whether mutilation³ is required. The retention quantity in the DRO shall determine the quantity of material to be turned in to disposal by the storage site. The retention quantity cited in the DRO shall be kept and all remaining stocks transferred to disposal, or, if the quantity on hand is less than the quantity indicated, the storage site shall answer with DS 945A with Status Code BY.

C16.4.2. Release Confirmation. DS 945A gives advice from a non-accountable storage site to the supply source that initiated the DRO of supply action taken.. The storage site shall send DS 945A when quantity shipped is the same quantity, when quantity shipped is greater than requested, or when quantity shipped is less than the quantity requested in the DRO. SOS shall use disposal release confirmation (DRC) to make adjustments to inventory records. DS 945A shall be prepared and sent on the day material is delivered to the carrier for shipment to DRMO. DS 945A shall, if appropriate, contain Code 2I in the N9 segment if the shipped material line item value is \$800 or more or the item is recorded as pilferable/sensitive. Do not wait for receipt of a driver's control copy or return of a signed receipt copy of the DTID before preparing DS 945A. When not using DS 945A to confirm a shipment of material to DRMO, send DS 856S to DRMS, with Code 2I in the REF segment if shipped material line item value is \$800 or more or the item is recorded as pilferable/sensitive, simultaneously with DS 945A or other transaction authorizing/directing shipment to disposal. This procedure is authorized when circumstances (such as local transfers, use of available organic transportation, or other substantiating conditions) make use of DS 945A unnecessary.

C16.4.3. Release Follow-Up. The supply source shall use DS 940R to follow-up on storage facilities for unconfirmed DROs 10 calendar days after the date the DRO

³ Material requiring mutilation may not be consigned to DRMOs unless the DoD Component of the activity directing the shipment has made prior official arrangements with the DRMS. If mutilation is required, provide specific instructions to the DRMO by separate correspondence, citing the DTID number.

was created. If the DRO has been complied with, the storage facility shall respond with a DS 945A, see paragraph C16.4.2 above. If the DRO has not been complied with and shipment is anticipated, the storage facility shall send supply status, DS 945A, with an estimated shipping date. If there is no record of the DRO, the storage facility shall send DS 945A with Status Code BF. If the DRO has been denied, the storage activity shall send DS 940R with Status Code BY.

C16.4.4. Release Denial. The storage site shall send DS 945A to the supply source that prepared the DRO as a notification of no action on DS 945A. Supply sources shall use DS 945A to adjust inventory records.

C16.4.5. Release Cancellation. Disposal release cancellations, DS 940R, are prepared by supply sources having initiated DROs and sent to storage sites when determined disposal actions should be stopped. Supply source cancellation requests shall be sent only when DROs are unconfirmed. Storage activities shall respond to the cancellation request using DS 945A with appropriate transaction type code, and routing identifier of the supply source to which the transaction will be sent and the activity preparing the transaction.

C16.4.6. Release Cancellation Follow-Up. A disposal release cancellation follow-up, DS 940R, may be sent by the supply source to get latest status of a disposal release cancellation. The disposal release cancellation follow-up transaction shall be in the same format as the original disposal release cancellation and shall be processed by the storage site as a cancellation request if the original request was not received. If the original request was received and all required actions have been completed, the storage site shall respond to the disposal release cancellation follow-up by duplicating previously submitted documentation, DS 945A.

C16.4.7. Reporting Excess Quantity. SOS shall send replies to excess reports, DS 870M, to notify the reporting activity quantity reported is in excess to SOS requirements and further action is authorized under appropriate DoD Component procedures. Refer to Chapter 11.

C16.4.8. DAAS Processing of Release Confirmations. DAAS shall use data in DS 945A, with Transaction Type Code NM in the WO6 segment, to create shipment status using DS 856S. Upon completion of this process, DAAS shall send the DRC to the appropriate organization(s) as indicated in the N1 segment and DS 856S to DRMS.

C16.5. PROCESSING MATERIAL TO THE DRMS

C16.5.1. General

C16.5.1.1. Material Transfer. Shipment/transfer of material to a DRMO via DTID requires authority for disposal which must be indicated in DTID by appropriate

disposal authority code and the reason for disposal code. Ensure property is reported to the IMM prior to DTID preparation, if required, per [DoD 4140.1-R](#).

C16.5.1.2. Inability to Process Mechanically Processable or Electronic Transactions. Activities lacking ability to prepare mechanically process-able transactions, and/or electrically send them to ICS, arrange for such preparation or message transmission of in-transit control transactions by the nearest facility having such capabilities. When support from another activity cannot be obtained, transactions shall be mailed or sent electronically (email, etc.) to DRMS. These must include the in-the-clear address of the activity and a point of contact. DRMS shall coordinate with the DoD Components to determine options for any activities that consistently mail transactions.

C16.5.1.3. Turn-In Document Processing. Activities shall direct/process all accountable material to disposal using DTID (DD Form 1348-1A or DD Form 1348-2). Some categories of non-accountable property may be transferred to DRMO without documentation. Guidance shall be provided by the servicing DRMO. For each DTID, activities shall give one DS 856S to DRMS for each shipment/transfer sent to DRMO without regard to the dollar value. Only DS 856S applicable to shipments/transfers with a line-item value of \$800 or more (unit price per FLIS) and for all shipments/transfers of pilferable or sensitive items (based on CIIC code) regardless of dollar value will be entered into ICS. Activities shall prepare and send DS 856S to DRMS, with Distribution Code 9 and the unit price of the material when a DRC is created by the shipping activity showing actual quantity shipped and date delivered to the carrier for shipment. The shipment status transaction, meeting the in-transit control criteria, shall initiate the suspense file at DRMS, which will, as a minimum, contain the following data:

Table C16.T1. Turn-In Processing Data Requirements

<u>DATA ELEMENT</u>	<u>SOURCE</u>
Document Number	Shipment Status/IDMS Receipt
NSN/FSC/FSG (if available)	Shipment Status/IDMS Receipt
Unit of Issue	Shipment Status/IDMS Receipt
Extended Dollar Value of Shipment (if available)	Calculated from FLIS unit price
Controlled Inventory Item Code	FLIS
Quantity Shipped	Shipment Status
Date of Shipment	Shipment Status
Quantity Received	DAISY Receipt
Date of Receipt	DAISY Receipt

Extended Dollar Value of Receipt	DAISY Receipt
Dollar Value of Quantity Variance Between Shipment and Receipt (if any)	(Internal Computation)

C16.5.2. Procedures

C16.5.2.1. DAASC

C16.5.2.1.1. DS 856S Edit. DAAS shall edit DS 856 for the following criteria before passing to DRMS.

C16.5.2.1.1.1. Invalid DoDAAC, FSC, or Quantity. Reject, to the generating activity, for invalid DoDAACs FSC (FSC does not exist), and quantity of zero or blank. The rejected transaction shall be returned to the originating station with a narrative explanation of the reason for return and instructions not to resubmit.

C16.5.2.1.1.2. Edit Unit Price. If the transaction contains a local stock number with a blank or zero unit price, reject; if NSN and blank or zero unit price, insert the FLIS price.

C16.5.2.1.2. Flag ICS Follow-Up Transaction. DAAS shall “flag” ICS follow-up transaction (DS 940R) to help the DoD Components prioritize research and resolution of the transaction. The transaction shall include “CRITICAL”, identifying sensitive items, demilitarization required items, and all items in “critical classes.” DAAS shall append the critical flag as follows:

C16.5.2.1.2.1. To determine if critical class, match FS Group or Class (as appropriate) to table built from DoD 4160.21-M, Chapter 3, attachment 1.

C16.5.2.1.2.2. To determine if demilitarization required, match NSN to FLIS looking for demilitarization code equal to C, D, E, or F.

C16.5.2.1.3. To determine if a sensitive item, match NSN to FLIS for CIIC looking for Sensitive Item Codes equal to 1, 2, 3, 4, 5, 6, 8, Q, R, \$.

C16.5.2.2. DRMO

C16.5.2.2.1. Accept Accountability. DRMO shall accept accountability of the shipment if material is acceptable based on established criteria in DoD 4160.21-M.

C16.5.2.2.2. Document Receipt. DRMO shall give documentation receipt of the DTID upon request by the shipping activity. NOTE: The DRMO shall always supply a copy of the signed DTID for all shipments containing quantity discrepancies. DRMO shall note the difference in quantity received and quantity shipped on the DTID

C16.5.2.2.3. Notify Shipping Activity of Quantity Error. If an error exists because the quantity received is less than or greater than quantity entered on the DTID, DRMO shall notify the shipping activity **and submit a supply discrepancy report**. (See DoD 4160.21-M, Chapter3; Chapter 17, and Joint Regulation [DLAI 4140.55](#), et al).

C16.5.2.3. DRMS

C16.5.2.3.1. Processing Timeframe. When a DAISY “receipt of usable property” or “receipt” is processed by DRMS, it shall be compared with the suspense file generated by the **disposal** shipment status transaction (DS 856S **Distribution Code 9**). The DAISY receipt shall open the ICS transaction file if there is no matching **disposal shipment status** (DS 856S). The suspense file shall remain as an open file for a period of 1 year from the date it is initiated unless it is closed by one of the actions below. All transactions generated by ICS shall be sent through DAAS to the **activity identified in the document number using either the shipment status (DS 856S) or the DRMO receipt of usable property**. ICPs/IMMs receiving these transactions shall forward them to the shipping activity **so that the shipping activity may respond directly to DRMS, or research and provide appropriate response**.

C16.5.2.3.1.1. The suspense file shall be closed if the receipt matches a shipment status transaction previously recorded in the suspense file. A match is based on DTID number and FSC.

C16.5.2.3.1.2. If, after 90 calendar days from the date of DRMS posting of the receipt, there is no matching shipment status transaction, and the extended value of \$800 or more, or the item is recorded as pilferable or sensitive, forward a **disposal shipment confirmation inquiry** (follow-up) transaction. This notification (DS 940R **(W0506 = NH)**, with Advice Code 36) closes the ICS suspense.

C16.5.2.3.1.3. DRMS shall send a **disposal shipment confirmation inquiry** with Advice Code 37 when, after 90 calendar days, there is no receipt applicable to a shipment transaction, and the extended value of the shipment transaction is more than \$800, or the item is recorded as pilferable or sensitive.

C16.5.2.3.2. Forwarding Second **Disposal Shipment Confirmation Inquiry**. If a disposal supply status DS 870S, or a disposal shipment confirmation (**DS 945A, W06011 = AZ**), is not received within 30 calendar days of sending **disposal shipment confirmation inquiry**, DRMS shall send a second **inquiry follow-up** (DS 940R, **W0506 = NH** and an appropriate **Advice Code, 36, or 37**). The record shall

remain open for a period of 1 year from the date it was originated unless closed by a response to DS 940R. When moved from the active suspense file, place records on an accessible history file for an additional 2 years.

C16.5.2.3.3. Terminating In-Transit Control **System (ICS)** Processing.
Receipt of DS **870S will direct further ICS processing as follows:**

C16.5.2.3.3.1. Status Code DE shall advise DRMS to terminate in-transit control processing for the **document** number in question. If received in response to **disposal shipment confirmation inquiry (DS 940R, W0506 =NH)** with Advice Code 37, a record of the shipment status transaction is not required.

C16.5.2.3.3.2. Status Code DF shall advise ICS to remove the record from the active suspense file and place the record in an accessible history file for 2 years.

C16.5.2.3.3.3. Status Code DG shall close the record in ICS; in-transit control processing for the **document** number in question is considered complete. DRMS will use its own procedures to determine why notification of receipt of material was not sent by DRMO to DRMS and DRMS will keep an accessible history file record for 2 years.

C16.5.2.3.3.4. Status Code DH shall close the record in ICS; in-transit processing is considered complete and an accessible history file shall be kept by DRMS for 2 years.

C16.5.2.3.3.5. Status Code BF removes the record from the active suspense file and places it in the accessible history file for 2 years.

C16.5.2.3.4. In-transit Control Processing Completion. If a **disposal shipment confirmation (DS 945A, W06011 = AZ)** is received by DRMS, in-transit control processing for the **document** number in question is considered complete. Accessible history file records shall contain NSNs, quantities, **document** numbers, dollar value of variances (if any), and the identity of applicable shipping activities and DRMOs.

C16.5.2.3.5. Quarterly Report. DRMS shall provide a Quarterly In Transit to DRMO Report **upon request. DRMS will provide** tailored special extract reports, **as requested.** See Appendix 2 for the format and explanation of the Quarterly In-transit to DRMO Report. The RCS for this report is DD-P&L(Q)1787.

C16.5.2.4. Shipping Activity

C16.5.2.4.1. Documentation Review. Supply organizations in **receipt of disposal shipment confirmation (follow-up) (DS 940R, W0506 = NH) shall ensure**

that applicable shipping activities review signed receipt documentation (DTID), investigate discrepancies, and provide timely responses within 30 working days of receipt of the **inquiry. Disposal shipment confirmation inquiries** with Advice Code 36 do not require a response.

C16.5.2.4.2. Filing Receipts. To ensure required copies of the DTID are available, shipping activities shall file all signed receipt copies when received from DRMO. Copies shall be kept for a minimum of 2 years after date of the shipment.

C16.5.2.4.3. Quantity Received Verification. Upon receipt of **a disposal shipment confirmation inquiry**, the shipping activity verifies the actual quantity received for DRMO, and shall respond **with supply or shipment status as follows**:

C16.5.2.4.3.1. No Shipment Record/Status. If there is no record of the shipment, nor of generating the shipment status, and no record of a signed copy of the DTID, **Supply Status (DS 870S)** with Status Code BF shall be sent to DRMS.

C16.5.2.4.3.2. Shipment Status Sent But No Record. If it is determined that although shipment status had been sent, no shipment had been made or no record of shipment, other than the shipment status transaction, can be located, **Supply Status (DS 870S)** with Status Code DE shall be sent to DRMS.

C16.5.2.4.3.3. Signed Receipt Not Available. If a signed receipt copy of the DTID is not available, but investigation indicates that property was removed from the storage area and cannot be located, the shipping activity shall do additional research as determined by the DoD Component procedures, including, if necessary, referral to the appropriate criminal investigative activity. Also, send **Supply Status (DS 870S)** with Status Code DF to DRMS.

C16.5.2.4.3.4. No Shipping Activity Record. If the shipping activity has no record of generating a **Shipment Status (DS 856S)** transaction, but has received a signed copy of the DTID, a disposal shipment confirmation (**DS 945A, W06011 = AZ**) showing the quantity received for in the DTID shall be sent to DRMS.

C17. CHAPTER 17.

SUPPLY DISCREPANCY REPORTING

C17.1 GENERAL

C17.1.1. **Purpose.** This chapter establishes information requirements for reporting and processing of Supply Discrepancy Reports (SDRs) (formerly referred to as Reports of Discrepancy (RODs). The SDR is a tool used to report shipping or packaging discrepancies attributable to the responsibility of the shipper, (including Government sources, contractors/ manufacturers or vendors) and to provide appropriate responses and resolution. The purpose of this exchange is to determine the cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.1.2. **Standard SDR Transactions.** Under DLMS, the SDR shall be considered a common logistics information exchange to be integrated with transaction processing through DAASC. The DoD approved standard for electronic transmission of SDRs is the DLMS Supplement (DS) to 842A Federal Implementation Convention (IC), Discrepancy Report, an ASC X12-compliant variable-length transaction format for the purpose of communicating deficiency/discrepancy information. Multiple DS are provided to support different SDR related functions. The 842A/W, Standard SDR, shall be employed for transactional exchange of initial reports and associated follow-on actions. The 842A/R, DoD SDR Reply, shall be employed for transactional exchange of the SDR reply by the action point. The DSs for SDRs are available via the [IC/DS page](#) of the DLMSO Web.

C17.1.3. **DoD WebSDR.** The [DoD WebSDR](#) is a DAASC-maintained system which facilitates transaction exchange that provides a web-based entry method. This WebSDR application is an effort to automate the [SF 364](#) SDR paper form and transition to the DoD standard described above. It brings the SDR into an integrated transactional environment, supporting both direct input (under Component business rules) and transaction exchange originating within Component applications. The WebSDR system facilitates communication and interoperability between U.S. Military and Federal Agencies and the International Logistics Control Office (ILCO) on behalf of the Security Assistance (SA) customer. It controls routing of web submissions and logistics transactions according to business rules using any-to-any translation to support unique and standard transaction formats following the DS 842A/W and 842A/R. It supports information exchange between the customer, the ICP/IMM, and the shipper, and other interested parties. It encompasses new report submission, correction/modification, cancellation, follow-up, requests for reconsideration, and forwarding of SDR resolution responses, in addition to the capture of report and response management statistics. The WebSDR process reduces manual SDR form creation and eliminates dual entry where multiple Component systems are used. It shall provide an automated process for tracking SDR response information. Data collected shall enable DoD to identify trends,

establish volume and dollar values of SDRs, bring management attention to problems with shipping activities as necessary, and improve the requisitioning and distribution process within logistics operations. This provides an effective means to report, resolve and measure discrepancies related to pipeline performance. Ultimately, the goal is to incorporate SDR metrics within other logistics response measurements in support of perfect order fulfillment. [DoD WebSDR training](#) is available on the DLMSO Web.

C17.1.4. DoD Component members of the SDR Subcommittees (U.S. and SA) of the DoD Supply Process Review Committee are identified on the SDR Subcommittee page of the DLMSO Web.

C17.1.5. Applicability. These SDR procedures are applicable to the DoD Components and external organization elements as defined in Volume 1, Chapter 1. This includes shipments made from Working Capital Funds (WCF) and non-WCF funded activities, SA shipments made under the International Logistics Program, personal property shipments, and shipments received from commercial sources.

C17.1.6. Exclusions. The following types of discrepancies are excluded from the provisions of this publication:

C17.1.6.1. Discrepancies found while material is in storage. Short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack may be reported by U.S. Government customers only. Material in storage in sealed vendor's packs which is later discovered to have been shipped with discrepancies relating to Item Unique Item Identification (IUID) data. These may be reported as SDRs and are not subject to submission timeframes. Refer to UID discrepancies below.

C17.1.6.2. Discrepancies involving local deliveries to, or returns from, internal or satellite activities. This exclusion is not applicable to on-site Distribution Depot (DD) shipments.

C17.1.6.3. Discrepancies involving shipments of privately-owned vehicles.

C17.1.6.4. Discrepancies involving shipments on requisitions or purchase orders from personnel services activities citing non-appropriated funds.

C17.1.6.5. Transportation discrepancies covered by DoD [4500.9-R](#), Defense Transportation Regulation, Part II, Cargo Movement, Chapter 210, Transportation Discrepancy Report (TDR), except as specifically permitted under SA procedures in this chapter.

C17.1.6.6. Product quality deficiencies to the extent covered by Joint [DLAR 4155.24](#), et. al., Product Quality Deficiency Report Program, except as specifically permitted under SA procedures in this chapter.

C17.1.6.7. Discrepancies involving personal property shipments, with the exception of packaging discrepancies relative to personal property.

C17.1.6.8. Billing discrepancies, except as specifically permitted under SA procedures in this chapter. Price verifications and/or challenges are not reportable on an SDR.

C17.1.7. Types of Discrepancies

C17.1.7.1. Supply Discrepancy. Supply discrepancy is a general term used to describe any variation in goods received from data shown on any authorized shipping document which is not the result of a transportation discrepancy or product quality deficiency. Supply discrepancies include both shipping and packaging discrepancies.

C17.1.7.1.1. Shipping (Item) Discrepancy. A shipping discrepancy is any variation in quantity or condition of goods received from what shown on the authorized shipping documents, to include incorrect or misdirected material, receipts of cancelled requirements, and/or improper or inadequate technical or supply documentation, which is not the result of a transportation error or product quality deficiency. Discrepancies involving IUID are reportable under shipping discrepancy criteria.

C17.1.7.1.2. Packaging Discrepancy. A packaging discrepancy is any unsatisfactory condition due to improper or inadequate packaging (including preservation, packing, marking, or utilization) which causes the item, shipment, or package to become vulnerable to loss, delay, damage, or unnecessary expense to the U. S. Government, such as excessive packing. Discrepancies involving passive radio frequency identification (pRFID) are reportable under packaging discrepancy criteria.

C17.1.7.2. Transportation Discrepancy. A transportation discrepancy is any variation in quantity or condition of material received from that shown in the piece count by type of pack on the bill of lading or governing transportation document and other deficiencies in transportation when discrepant material is not involved. These discrepancies involve motor, air, water, rail and small package commercial carriers (excludes USPS shipments which are lost or damaged). **Follow** TDR policy found in the Defense Transportation Regulation, Part II, Cargo Movement ([DoD 4500.9-R](#)). TDR's are entered and distributed under the Electronic Transportation Acquisition (ETA) system at <https://eta.sddc.army.mil/>.

C17.1.7.3. Product Quality Deficiency. A product quality deficiency is a defective or non-conforming condition which limits or prohibits the item from fulfilling its intended purpose. These include deficiencies in design, specification, material, manufacturing and workmanship. These are reportable on an SDR only by a SA customer. All others follow PQDR policy found in [DLAR 4155.24/AR 702-7/SECNAVINST 4855.5B, AFR 74-6](#), Product Quality Deficiency Report Program.

Quality deficiencies reported via SDR will be investigated within the ICP/IMM under procedures associated with Product Quality Deficiency Reports.

C17.1.7.4. Billing Discrepancy. Billing discrepancies are those discrepancies related to duplicate or multiple billing per individual shipment, or a single billing with no ship line, which are reportable to the ILCO on an SDR by SA customers only. Within U.S. Government channels, the billing discrepancy will be processed under [Volume 5, Finance](#). This means the ILCO shall convert the discrepancy to the appropriate DS 812R, Request for Adjustment of Non-Fuel Billing, or DLSS/Military Standard Billing System Document Identifier FAE.

C17.1.7.5. Financial Discrepancies. Financial discrepancies are those discrepancies related to administrative and accessorial charges. The ILCO, ICP/IMM, or GSA shall forward to DFAS-DE/I for processing all financial discrepancies received directly from a SA purchaser. Responses to these will be returned to the ILCO. Only financial discrepancies related to SA purchases are reportable on an SDR.

C17.2. POLICY

C17.2.1. Use of SDR. The DoD Components shall use the SDR to report shipping or packaging discrepancies attributable to the responsibility of the shipper (including contractors/manufacturers or vendors) and to provide appropriate responses. The purposes of this exchange are to determine cause of such discrepancies, effect corrective action, and prevent recurrence.

C17.2.2. Electronic Communication. Components are encouraged to maximize the use of electronic reporting and response with the goal of paperless processing of supply discrepancies. Until electronic reporting is universally available, SDRs and associated responses may be reported via hard-copy SF 364, ROD; by electronic means, to include automated discrepancy reporting systems and electronic data interchange; customer service help lines; email; or any other manner acceptable to the submitter and recipient. All manner of reporting must meet the criteria described in this publication. SDRs shall be submitted in accordance with Component-specific guidance via appropriate automated systems or via the internet-based DoD WebSDR available from the DAAS home page at: <https://www.daas.dla.mil/daashome/>. While exceptions may be permitted, the DoD goal is that paper submission of SDRs will be phased out once full implementation of transaction exchange under DLMS has been achieved.

C17.2.3. Documentation Maintenance. The SF364 (or the electronic version DS 842A/W) and the action activity's response (or electronic DS 842A/R) shall be used to support adjustments to inventory and financial accounting records and shall be maintained as required.

C17.2.4. Receivers of discrepant material shall use the SDR to:

C17.2.4.1. Report shipping discrepancies, packaging discrepancies, and discrepancies or nonreceipt of United States Postal Service (USPS) shipments.

C17.2.4.2. Modify, cancel, or follow-up on a previously submitted report.

C17.2.4.3. Request reconsideration of a response.

C17.2.4.4. Security Assistance customers may use to contest the decision stated in a response.

C17.2.4.5. Provide information copies of the report to interested parties.

C17.2.5. Responsible action activities as identified in this chapter and Appendix 3 shall use to:

C17.2.5.1. Notify the report initiator of interim status or resolution of the SDR.

C17.2.5.2. Request additional information on incomplete submissions.

C17.2.5.3. Reroute/**forward** the SDR to the appropriate party.

C17.2.5.4. Forward recommendations to the supply source for determination of financial resolution or materiel disposition.

C17.2.5.5. Provide information copies of the response to interested parties.

C17.2.6. Non-Receipt of Shipments. Non-receipts, shipped by traceable means such as Government or Commercial Bill of Lading, shall not be reported using the SDR, unless the non-receipt is for other than a transportation discrepancy, or for damaged items shipped via modes other than USPS. SDRs shall not be submitted for non-receipt of shipments made by traceable USPS registered, insured, or certified mail until appropriate tracer action has been completed. If tracer action results confirm non-receipt, then submit an SDR and include results of the tracer action. Customers without automated access to in transit visibility information should contact the ICP/storage activity to determine which shipments are traceable. (Not applicable to SA customers.)

C17.2.7. Interface with Other Material Management Functions.

C17.2.7.1. Under DLMS, discrepancy processing may be used to trigger other standard material management functions. IMMs should plan to use the SDR response to establish a due-in record for return of discrepant material under Chapter 12, Due In and Advanced Shipment Information. **ICPs/IMMs shall** use the Advance Receipt Information (ARI) (**also known as Prepositioned Materiel Receipt (PMR)**) to advise **storage** activities to **which** a return is directed under Chapter 12 (refer to DS to 527D, Due-In/Advance Receipt/Due Verification).

C17.2.7.2. By **future** DLMS enhancement ***pending further coordination***, IMMs may use the material release order/material receipt confirmation (MRO/MRC) to direct and record return of discrepant material located at DoD shipping depots under Chapter 4, Requisitioning, (refer to DS to 940R, Material Release). IMMs may use material returns supply status to re-direct the return of discrepant material received at other locations under Chapter 5, Status Reporting (refer to DS to 870M, Material Returns Supply Status). When returning discrepant material, by DLMS enhancement, shipping activities (other than DoD shipping depots) may prepare shipment status for material returns as described under Chapter 5 (refer to DS to 856R, Shipment Status Material Returns). DLMS enhancements must be coordinated prior to implementation.

C17.2.8. Discrepancy Reports Relating to Interchangeability/ Substitutability (I&S) or Quantity Unit Pack (QUP) Issues. Incorrect item SDRs shall not be submitted for authorized substitution. The DoD Components and GSA shall follow the policy of automatic shipment of an item, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item. Therefore, incorrect item SDRs shall not be submitted for authorized substitutions. Similarly, quantities may be adjusted to the quantity unit pack, unless restricted by the appropriate advice code in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.2.9. Responsibility for Costs Incurred Due to Discrepancies in Returned Material. U.S. Government activities returning material are cautioned that the returning activity may be held responsible for costs incurred by the receiving activity when discrepancies are reported and validated in accordance with this publication. This includes returns made in violation of prescribed procedures, returns exhibiting packaging discrepancies, and returns of reparable items unaccompanied by required technical data. Recoupment action by the ICP against the initiator may include all cost reimbursable actions performed by the receiving activity such as repackaging, marking, and disposal.

C17.2.10. Multiple Requisitions. Multiple requisitions received under a consolidated shipment cannot be combined for discrepancy reporting purposes. Individual SDRs must be submitted for each discrepant requisition received in the shipment. An exception to this is authorized for Consolidation and Containerization Points (CCPs)/transhippers. Refer to guidance for CCP-originated SDRs below.

C17.2.11. Combining Item and Packaging Discrepancies. When both item discrepancies and packaging discrepancies are noted on the same shipment, both types of discrepancy shall be included on the same report.

C17.2.12. Government Furnished Material (GFM). By agreement, contractors receiving GFM shall comply with U.S. Government SDR procedures provided herein. Discrepancies related to GFM which do not meet minimum dollar value criteria below, may be reported for information only, as a means of notifying the shipper/IMM of the discrepant condition.

C17.3. PROCEDURES

C17.3.1. Original Submission of SDR

C17.3.1.1. Discrepancy Identification. The receiving activity, or transshipment activity noting packaging deficiencies on shipments in transit, shall prepare an SDR when one or more of the conditions described under reporting criteria exist.

C17.3.1.1.1. ***Pending improved processing techniques, it is required that DLMS SDRs identify the [SDR document type code](#) available from the DLMS Logistics Qualifier database. This is a one position code used to describe the type of discrepant report and the type of shipment involved, e.g. *depot shipment to the customer (Type 7)*, or *direct vendor shipment to the customer (Type 6)*.***

C17.3.1.1.2. Identify the discrepancy using the [discrepancy action code](#) available from the Logistics Qualifiers listing. Use up to three codes to describe the discrepancy. If no coding exists to adequately describe the discrepancy, select code Z1 and use a clear-text description. The goal of the initial SDR submission is to provide as much relevant information as possible to the action activity, so that they can take timely action to correct the problem and provide a timely response and disposition to the customer.

C17.3.1.2. Shipment Information. SDRs must contain a document number. Identify the original requisition document number when known, otherwise a constructed document number is required. A constructed document number identifying the receiving Distribution Depot (DD) is required for DD receipts reported electronically including new procurement receipts. Additional information, such as transportation numbers (TCN, bill of lading number, etc.) or procurement information (procurement instrument number, line item number, vendor shipment number) shall be provided in accordance with the DS/SF 364.

C17.3.1.3. Requested Action.

C17.3.1.3.1. The SDR originator must indicate what action has been taken concerning the discrepant material and the desired response from the responsible activity. Use the appropriate [discrepancy action code](#) available from DLMS Data Element Dictionary/Directory. If no coding exists to adequately describe the action taken or requested disposition, select Code 1Z and use a clear-text description.

C17.3.1.3.2. *When an SDR is submitted using Action Code 1H, No Action Required, Information Only, a reply transaction from the action activity is not required, but when provided, it shall be accepted by the customer application. Systematically, this may be interpreted to mean that a customer applications may auto-close these SDRs, but must allow them to re-open automatically to process a reply transaction if one is provided.*

C17.3.1.4. Shipping Documentation. Retain shipping and associated documentation to provide a copy if requested. Do not mail hard-copy documentation if data is otherwise accessible to the responsible action activity.

C17.3.2. Reporting Criteria

C17.3.2.1. U.S. Forces and participating non-SDRs fall under the reporting criteria based upon dollar value and/or condition cited below.

C17.3.2.1.1. GSA and DLA Directed Shipments **Dollar Value Criteria**. Optionally, recipients of DLA and GSA directed shipments may submit an SDR for all types of shipments regardless of dollar value. **Otherwise, report *discrepant* shipments** when they meet the conditions and value criteria cited below.

C17.3.2.1.2. Contractor/Manufacturer or Vendor Shipments. Report discrepant shipments from contractors/manufactures or vendors that meet conditions cited below regardless of dollar value.

C17.3.2.2. DoD action activities shall recognize the ILCO's determination whether DS SDRs fall within submission time standards and dollar limitation contained in the United States of America Department of State Letter of Offer and Acceptance controlling the case, or any other sales agreement with an SA purchaser. ***Once accepted by the ILCO and forwarded to the responsible action activity, further evaluation for time standard and dollar criteria is not appropriate.***

C17.3.2.3. Condition of Material

C17.3.2.3.1. Condition Misrepresented. Report when the condition of an item valued in excess of \$100 per line-item is found to be other than shown on the shipping document, or, in the case of subsistence, on supporting inspection/test certificates or records. Use the hazardous material discrepancy code when applicable.

C17.3.2.3.2. Hazardous Material. Report discrepant receipt of hazardous material under the appropriate H-series discrepancy code. Use in place of the C-series codes for condition/shelf-life discrepancies when a hazardous item is received in a condition other than shown on the supply document or on the supporting inspection/test certificate. Report receipt of hazardous item requiring repair and lack of a Material Safety Data Sheet (MSDS) in Hazardous Material Information Resource System (HMIRS). Also use to report receipt of a non-radioactive item classified as radioactive, or non-hazardous item classified as hazardous.

C17.3.2.3.3. Missing Part. Report material received for repair which has been cannibalized of nonexpendable parts or components (including cannibalization of nonexpendable Basic Issue Item (BII) or nonexpendable Supply System Responsibility Item (SSRI) without the authorization of the inventory manager when the total value of

the missing item(s) is in excess of \$100). Expendable BII and SSRI are not subject to these procedures.

C17.3.2.3.4. Expired Shelf Life. Report receipt of material for which the shelf life either has expired (Type I non-extendible item) or the inspect/test date has lapsed (Type II extendible item), regardless of dollar value. Use the hazardous material discrepancy code when applicable.

C17.3.2.3.4.1. For Type I DoD and GSA managed items: submit an SDR.

C17.3.2.3.4.2. For Type II DoD-managed items: prior to submitting an SDR, access the DoD Shelf-Life Extension System (SLES) through the DoD Shelf-Life Program website at: <https://www.shelflife.hq.dla.mil/default.aspx> or through the shelf life program secure site if you have a .mil address.

C17.3.2.3.4.2.1. Type II items requiring laboratory test: query the DoD Quality status Listing (QSL) to determine if the specified Type II item listed as having passed the required laboratory testing and has been extended. Items that are listed on the QSL as passed may be extended and remarked accordingly if the item has been stored in accordance with its storage standard. For items not on the QSL, prior to submitting an SDR, contact the DLA CALL CENTER at 1-877-DLA-CALL if the shipment originated from a DLA Storage Activity.

C17.3.2.3.4.2.2. Type II items requiring visual inspection: query the Materiel Quality Control Storage Standards for the specified Type II item, perform visual inspection in accordance with the items storage standard, and extend and remark if the item has been stored in accordance with its storage standard. If the item fails the visual inspection, dispose of as required by local procedures.

C17.3.2.3.4.3. For Type II GSA-managed shelf-life-items: prior to submitting an SDR, contact the GSA Shelf-Life HOTLINE at 1-209-547-8634 to determine if the inspect/test date has been extended.

C17.3.2.4. Canceled Requisitions. An SDR is required when material received is valued in excess of \$100 per line-item for canceled requisitions. Confirmation of the cancellation must be on file. The submitter should request disposition instructions for unwanted material. Exception: an SDR must be submitted when controlled inventory items are received on previously canceled requisitions regardless of dollar value.

C17.3.2.4. Documentation. Report when supply documentation is missing, incomplete, or improperly prepared regardless of dollar value.

C17.3.2.5. Overage/Shortage, Nonreceipt, or Duplicate Discrepancies

C17.3.2.6.1. Overage/Shortage. An item overage or shortage discrepancy occurs when the quantity received is greater or less than that shown on the shipping document. This type of variance is not evident on delivery but is discovered when the article of freight, as described on the transportation document, is opened and the contents are checked. Report DoD shipper overages or shortages valued in excess of \$100 per line item, except for controlled inventory items which are reported regardless of dollar value. Customers may use a clear text description to indicate that erroneous or conflicting MRA information was previously submitted.

C17.3.2.6.2. Concealed Overage/Shortage. U.S. Government customers shall report overages or shortages discovered while opening a sealed vendor pack regardless of dollar value or shipper. These reports must contain, if available, the contract number from the packaging, the lot number, and original document number. A constructed document number should be provided when the original number is not known. When using a constructed document number in an SDR, include fund code and credit-to/bill-to DoDAAC, if different from that in the document number, to ensure that credit/billing is appropriate.

C17.3.2.6.3. Quantity Variances. Quantity variances on receipts from procurement authorized by the terms of the contract are not reportable as discrepant.

C17.3.2.6.4. QUP Variances. Report quantity variance due to incompatibility of unit of issue between documentation and material received. Automatic adjustment for unit pack is allowable by policy, unless the requisition contains an appropriate advice code, in accordance with Chapter 5, restricting the quantity.

C17.3.2.6.5. Exceptions to Reporting Overage/Shortage. For U.S. Government customers, this does not include transportation discrepancies as follows:

C17.3.2.6.5.1. Overages or shortages of boxes, packages, or loose articles of freight in a commercial/Government-owned/leased shipping container (commonly called SEAVAN), Military SEAVAN (MILVAN), a Military Sealift Command SEAVAN (MSCVAN or MILVAN), Roll-on/Roll-off (RORO) trailer, or CONEX.

C17.3.2.6.5.2. Overages or shortages of freight (packaged or loose), upon delivery by a carrier, found to be in excess of the quantity of articles recorded on the bill of lading or transportation document covering the shipment.

C17.3.2.6.5.3. Average Net Weight Lotting System. DLA's subsistence commodity will use the average net weight lotting system when shipping perishable specification freeze and chill items. Actual weight received may differ from actual weight requisitioned or shown on the supply documentation. Do not submit a discrepancy report if the number of cases/containers received agree with the number shown on supply documentation, and actual weight received is within weight range variation.

C17.3.2.6.6. Total Nonreceipts

C17.3.2.6.6.1. Report non-receipt of items shipped via traceable means, e.g., GBL or CBL, registered, insured, certified USPS, or small package carrier shipments, regardless of dollar value only when it has been determined the non-receipt is not the result of a transportation discrepancy. In all cases, U.S. Government customers must have received supply/shipment status and employed material follow-up procedures. It is strongly recommended that the customer check for requisition status on Web VLIPS, for POS data on DSS MRO Tracker or on the Global Transportation Network, or check SDR status in the DOD WebSDR system before creating an SDR for total non-receipt. This may preclude the need for an SDR or may enable the action activity to resolve the problem more quickly.

C17.3.2.6.6.2. SA customers reporting non-receipt are required to provide documentation from the freight forwarder indicating that no material has been received on the requisition and transportation control numbers that apply. The ILCO shall deny and return as incomplete any SDRs that do not have the documentation attached.

C17.3.2.6.6.3. An SDR is required when items valued in excess of \$100 dollars per line-item, reported shipped by non-traceable USPS (i.e., not shipped registered, insured, certified mail) are not received or are received in a damaged condition.

C17.3.2.6.7. Duplicate Shipments. Report duplicate shipments regardless of dollar value.

C17.3.2.7. Misdirected Material. Report when material, regardless of value, is improperly addressed and shipped to the wrong activity. Properly addressed material incorrectly shipped to the wrong activity while under U.S. Government-controlled transportation is reportable as a transportation discrepancy. ***The document assigned to the SDR will be the document number from the shipping documentation of the misdirected shipment received. (If the customer requisitioned material which was not received, it must be reported on a separate SDR for total non-receipt using the document number for the requisitioned material). Misdirected shipments received by SA customers identify the location of the discrepant material and the country reporting the receipt (which may differ from the intended customer). All customers (U.S. and SA) are required to report misdirected controlled inventory, arms, arms parts,, and explosives within 24 hours of discovery.***

C17.3.2.8 Packaging Discrepancies

C17.3.2.8.1. Improper Packaging. Report any unsatisfactory condition resulting from improper packaging which causes the item, shipment, or package to be vulnerable to any loss, delay, or damage according to the specific conditions cited. Unless otherwise indicated, the minimum dollar value reporting criteria is when the

estimated/actual cost of correction exceeds \$100; or the value of the item, shipment, or package is \$2500 or over, regardless of the estimated or actual cost to correct the packaging discrepancy. This may include loss or damage to the item, shipment, or package except when a report is otherwise required by DoD 4500.9-R, Defense Transportation Regulation, Part II, Cargo Movement. Where encoded information on the SDR is not sufficient, the submitter should provide detailed descriptions of how the material was packaged, as well as the actual damages incurred to the material. The submitter should also include when available the estimated cost of correction of packaging on the initial SDR.

C17.3.2.8.2. Mission or Life Endangering. Report packaging discrepancies regardless of dollar value resulting in damaged material which may endanger life, impair combat or deployment operations, or affect other material, immediately to the shipping activity, contracting office, or control point by the quickest communication medium to enable the shipper to take immediate corrective action. Submit a formal SDR within 24 hours of the initial report.

C17.3.2.8.3. Hazardous Material (includes ammunition and explosives). Report any packaging discrepancy, regardless of dollar value, if a potentially hazardous condition could result or if damage or an unsatisfactory condition has occurred involving any hazardous material. This includes improper identification markings of items and packaging and/or unitized loads. Use hazardous material discrepancy codes when applicable.

C17.3.2.8.4. Excessive Packaging. Report excessive packaging by contractors that result in additional costs to the U.S. Government, regardless of dollar value.

C17.3.2.8.5. Improper Packing. Report any type of inadequate or improper packing to include incorrect blocking or bracing, oversized or incorrect container, and inadequate closure, resulting in an unsatisfactory condition or damage. Report when material is not packed in required reusable container regardless of dollar value.

C17.3.2.8.6. Personal Property. Report packaging discrepancies involving shipments of personal property not conforming to specifications. Packaging discrepancy reports on personal property shipments shall be prepared at ocean and aerial terminals only.

C17.3.2.8.7. Delay or Additional Costs. Report packaging discrepancies resulting in delay or additional packaging costs at aerial or water terminals or at consolidation and containerization points. The activity responsible for operating the terminal or port of embarkation/debarkation will be responsible for the preparation and submission of an SDR on discrepancies noted on shipments moving through the activity.

C17.3.2.8.8. Improper Packaging of Customer Returned Material. DDs shall send an SDR to the material owner for packaging discrepancies related to customer returned material or inter-depot transferred material. The material owner is responsible for funding packaging costs associated with preparing material for storage and reissue. Packaging discrepancies occurring in material returns are subject to recoupment action at the discretion of the material owner. If the packaging is so bad that the item must be disposed, the shipper may be required to reimburse the receiver for any packing required to effect the shipment and the cost of turn in to DRMO. The DD shall always include the estimate of the costs of repackaging or disposal on the initial SDR submission, in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.2.8.9. Wood Packaging Material (WPM). Report WPM which is not consistent with the international standards for the regulation of WPM transiting international borders and Department of Agriculture regulation governing importation of regulated WPM. Compliant WPM must display certification marking as prescribed in reference. Use discrepancy code P215 and provide remarks as applicable. Also see guidance for CCP-originated SDRs below.

C17.3.2.8.10. Repetitive Packaging Discrepancies. Include Discrepancy Code Z1, Repetitive Discrepancy, with the other specific packaging discrepancy code(s) to report repetitive packaging discrepancies that impose a significant burden on receiving or transshipment activities. Total costs to correct packaging should be included in the SDR.

C17.3.2.8.11. Improper Preservation. Report any type of inadequate or improper preservation or physical protection resulting in an unsatisfactory condition or damage. Report improper preservation of any material identified as being electrostatic/electromagnetic (ES/EM) sensitive, regardless of the dollar value.

C17.3.2.8.12. Improper Marking. Prepare an SDR to report any omitted, incomplete, illegible or misplaced markings. Report improper identification of containers, or items which require opening the container, or result in improper storage of the material, regardless of cost. Improper marking includes discrepancies related to passive radio frequency identification (pRFID) tags as follows:

C17.3.2.8.12.1. Report all missing, damaged, or unreadable pRFID tags when such tags are required by contract provisions, DoD policy, or specified by prior shipment notice/status reflecting pRFID content. Report duplication of tag identification associated with a previously processed receipt.

C17.3.2.8.12.2. SDRs may be used to report a tag read formatted for DoD use, but which does relate to an advance shipment notification containing pRFID content when such advance shipment notification is required by contract provisions or DoD policy.

C17.3.2.8.13. Improper Unitization. Report improper unitization that includes inadequate wrapping/strapping or lack of unitization where appropriate, resulting in an unsatisfactory condition or damage. Report multiple consignees in a single consignee consolidation container as improper unitization.

C17.3.2.8.14. Latent Packaging Discrepancies. Prepare a late SDR for material found in storage with latent preservation and packaging discrepancies. Confine these reports to stocks which constitute a problem resulting from a particular specification, preservation, or packaging method. Reports relative to packaging discrepancies found in storage will be annotated "not incident to shipment."

C17.3.2.9. Quality Related Issues Identified During DD Receipt. Three-position Q-series discrepancy codes have been developed to accommodate material owners with special programs requiring immediate visibility and notification of quality deficient (or potentially deficient) material received at the DD. These codes are applicable for reporting to ICP/IMMs via the SDR process, based upon special inspection requests by the material owner. These reports are contingent upon pre-existing receipt restriction requirements which identify the NSN and specific actions the material owner expects the DD to perform. Some of the specific programs which require reporting of quality-related concerns for receipts, including new procurement and customer returns, are: Product Quality Deficiency Report exhibits, items identified as Customer Return Improvement Initiative (CRII) items, Critical Safety Items, items that failed under use, and items requiring First Article Testing.

C17.3.2.10. Technical Data. Report missing and/or incomplete item technical information, e.g., name plate, operating handbook, logbook, precautionary markings, warranty data, engineering drawings and associated lists, specifications, standards process sheets, manuals, technical reports, catalog item identifications, and related information that are missing, illegible, incomplete and/or incorrect regardless of dollar value. When reparable are returned and the appropriate historical information/documentation, operator/maintenance logbooks, engine oil analysis, etc., as required by Government regulations, and/or technical manuals are not included, the receiving activity shall submit an SDR regardless of dollar value. Any additional costs incurred by the repairing depot/arsenal because of the missing data will be charged to the originating activity. Submitter will ensure that the specific description of what documentation is missing is included in the remarks section.

C17.3.2.11. Incorrect Item

C17.3.2.11.1. Report incorrect or misidentified material or unacceptable substitutes regardless of dollar value. However, unless the requisition contains an appropriate advice code in accordance with Chapter 4, limiting the request to a specific item, automatic shipment of an interchangeable or substitute item is allowed by policy. See I&S guidance above.

C17.3.2. 11.2. Incorrect item discrepancies discovered while opening a sealed vendor pack shall be reported regardless of dollar value or shipper. These reports must contain the contract number from the packaging and, if available, the lot number and the original document number. A constructed document number will be provided when the original number is not known. When using a constructed document number in an SDR, include fund code and credit-to/bill-to DoDAAC to ensure that credit/billing is appropriate. When known, include identity of the incorrect item received in the discrepancy report.

C17.3.2.12. Repetitive or Other Discrepancies. Report repetitive discrepancies, regardless of dollar value, or when any other condition of an item not listed herein, unless listed specifically under exclusions, at time of receipt.

C17.3.3. SDRs Resulting from Redistribution Orders (RDOs). When a DD receives an RDO from another DD and the material is short, over, wrong, or quality deficient, the receiving DD will:

C17.3.3.1. RDO Shortage. Prepare the SDR to report shortage and use Action Code 1D (material still required). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over balance, the DD will respond using Disposition/Status (Reply) Code 123 (material will be reissued at no charge) citing inventory conducted and verified shipment error. If the inventory confirms correct balance or the balance is short, the DD will reply with Disposition/Status (Reply) Code 126 (material not available for reshipment) or 701 (SDR rejected) citing inventory conducted and no overage was discovered; no material will be shipped, OR, inventory conducted and shortage was identified; loss adjustment recorded on DD accountable record, no material will be shipped.

C17.3.3.2. RDO Overage. Prepare the SDR to report overage using Action Code 1B (material being retained). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories as appropriate. If the inventory confirms an over-shipment error, the shipping DD will respond with Disposition/Status (Reply) Code 137 annotating that inventories were conducted and balances were adjusted to show correct on hand balance. If inventory confirms no over-shipment was made, the shipping DD will respond with Disposition/Status (Reply) Code 701 (SDR rejected) citing inventory conducted and on-hand balances are correct.

C17.3.3.3. RDO Wrong Item. Prepare the SDR to report receipt of wrong item using Action Code 1D (material still required). The shipping DD will receive the action copy; the ICP will receive an information copy. The DD receiving the SDR will treat as priority and conduct inventories on both the wrong item that was shipped and the correct item that was not shipped. No DD will request or authorize return or movement of wrong material received as an RDO; the ICP/IMM will make all material movement decisions. If the inventory confirms an overage of the correct NSN, the

shipping DD will respond using Disposition/Status (Reply) Code 123 (material will be reissued at no charge) citing inventory conducted and shipment error confirmed; material will be shipped to correct shipment error. If the inventory fails to confirm an overage of the correct NSN, but an inventory of the wrong NSN reveals a shortage, the shipping DD will reply using Disposition/Status (Reply) Code 126 (material not available for shipment) citing inventories conducted on both NSNs confirm shipment error; accountable record corrected; no material will be shipped. **Report wrong item receipts of controlled inventory, arms, arms parts, and explosives within 24 hours.**

C17.3.3.4. **RDO Quality-Related Issues.** Prepare an SDR when quality-related issues are noted upon receipt, or when material received on the RDO must be suspended prior to stow. The action copy will be sent to the ICP/IMM using Action Code 1A (disposition instructions requested). The ICP/IMM will respond to the receiving DD with disposition instructions, to include condition code change requirements where appropriate. (Refer to quality-related issues above.)

C17.3.4. **Material Returns**

17.3.4.1. **Discrepancy Greater Than \$100.** CONUS and OCONUS activities receiving material returns (excess or redistributed material, or reparable material, including returns from FMS customers) shall submit an SDR for discrepancies specified above regardless of condition when the dollar value is equal to or greater than \$100 per line-item. Discrepancies pertaining to controlled inventory items shall be reported by SDR regardless of dollar value or condition.

17.3.4.2. **Exception for Returns Between U.S. Activities.** When the material return shipments are classified as unserviceable and uneconomically reparable upon receipt, the receiving activity shall report to the shipping activity. The report shall include material return document number, quantity, and an explanation of condition classification.

C17.3.5. **Discrepancies Resulting from Lateral Redistribution Orders (LROs) on Total Asset Visibility (TAV) Shipments.** An exception from normal routing exists for SDRs entered via DoD WebSDR on LROs for TAV shipments between DLA and the Army's Non-Army Managed Items Product Support Integration Directorate (NAMI-PSID) (RIC AJ2).

C17.3.5.1. All SDRs submitted for DLA directed LROs where the item is managed by DLA, owned by NAMI (RIC AJ2) and shipped from an Army CONUS site, will be sent to NAMI for investigation, with an information copy to DLA (RIC SMS). NAMI will research the discrepancy and forward recommended disposition to DLA for final action. **The NAMI action activity shall provide recommended disposition to DLA within 25 days.** After 55 calendar days has elapsed and NAMI recommended resolution has not been received, DLA will follow up for recommended disposition.

C17.3.5.2. Upon receipt of recommended disposition, DLA will review and provide final decision to the customer, along with an information copy to NAMI. DLA shall be responsible for reversing all credits previously paid, issuing debits to the requisitioner, and deleting activities from the TAV process due to poor performance, in coordination with NAMI.

C17.3.5.3. If Army shipped the wrong item or an overage, NAMI shall be responsible to provide the customer with disposition instructions and/or directions for returning the item back to Army. If the item is to be retained by the customer, NAMI shall be responsible for financial actions as appropriate. DLA shall not reimburse the shipper for wrong item or over shipments of Army issues relative to TAV.

C17.3.6. Distribution Depot Receipt Not Due In. DDs shall report receipt of unscheduled material from new procurement to the owner/IMM, regardless of condition of material, as a discrepancy. Other unexpected material receipts, including returns and/or redistributions which are not ICP/IMM directed, and unscheduled returns to/from maintenance, may be reported by prior direction of the owner/IMM.

C17.3.6.1. New procurement material with other applicable discrepancies, e.g., missing receiving report/[DD Form 250](#), improper packaging, shall be placed in SCC L pending resolution. Exception: discrepant Critical Safety Item (CSI) material shall be placed in SCC J regardless of whether it is new procurement or returned material. Initial SDR will include estimated costs of disposal or repackaging in the remarks section and complete the appropriate data element entries for electronic submission.

C17.3.6.2. If other than new procurement, the SDR should show receipt in SCC K when the actual condition cannot be determined. Material returned with other identified discrepancies, e.g., without associated technical data, shall also be reported as indicated under the appropriate discrepancy category. Returns of excess material which is not ICP/IMM directed is subject to recoupment of costs associated with disposal or repackaging costs incurred by the distribution depot.

C17.3.7. Reutilization and Marketing Shipment Discrepancies

C17.3.7.1. Dollar Value Greater Than \$100. Receiving activities shall submit an SDR for discrepancies specified above in shipments to and from DRMOs when the dollar value is greater than \$100 per line-item.

C17.3.7.2. Exception. Activities shall submit a discrepancy for overages and shortages in shipments of controlled inventory items regardless of dollar value.

C17.3.8. Discrepancies in IUID Data. Report discrepancies involving IUID under Unique Item Tracking (UIT) program requirements or as contractually required under IUID program policy. Discrepancies may be related to the packaging label, including automated information technology (AIT); the item marking, including AIT; supply

documentation; the due-in record; and/or a mismatch between the item and any of these. The elements which may comprise unique identification are: unique item identifier (UII), UII type, issuing agency code, enterprise identifier (or manufacturer's CAGE), part number (original or current), serial number, and batch/lot number. The application of these elements will vary according to multiple factors such as the type of item and the specific contract requirements. Discrepancies identified during receipt of new procurement material must be reported prior to acceptance. Material may be placed in a suspended condition pending resolution. Discrepancies which resulted in incorrect information within the IUID registry at DLIS must be reported and corrective action taken.

C17.3.9. Consolidation and Containerization Points (CCP)/Transshipper-
Originated SDRs Including Wood Packaging Material (WPM).

C17.3.9.1. The CCP shall prepare a SDR to report packaging discrepancies as described above. In particular, CCPs shall notify ICPs that their OCONUS WPM shipment is not in compliance with DoD 4140.01-M-1 and ISPM 15 requirements. The expiration of the DoD Pest Free mark and the requirement to use the IPPC stamp to indicate WPM compliance brings the requirement to remediate all noncompliant WPM destined for OCONUS. WPM shipments can be remediated by repackaging or by use of a heat chamber. SDRs shall be prepared for noncompliant shipments received by the CCPs. Noncompliant shipments will not be held for disposition. Shipments on noncompliant pallets will immediately be re-palletized onto compliant wood pallets. Boxes, crates, etc will be sent to a remediation area through use of DSS Packing, Packaging, Preservation & Marking (PPP&M) process, and placed in a hold status of "W" until remediation is completed. SDRs will be generated for both pallet replacements and box/crate rebuilds. This type of SDR does not require a response from the supply source, but is provided so that the supply source may take appropriate action with the Component shipper or vendor. The SDR will be auto-closed in the DSS, based on the P215 discrepancy code (indicating noncompliant WPM), and will not be reopened. The POC may be contacted if SDR was sent to the wrong supply source. Labor and materiel to remediate will be charged to CCP Cost Code.

C17.3.9.2. Data Content. CCPs and other transshippers may follow this guidance for data content. SDRs shall be identified by Document Type code W and will include the number and type of discrepant pieces. The Transportation Control Number (TCN) will be the primary reference number for operational processes. If the shipment is received at the CCP without a TCN, one will be assigned in accordance with the DTR. CCP SDRs at the shipment level may include multiple items, or there may not be due-in or documentation available. Therefore, the CCP shall generate a document number based upon the CCP DoDAAC if multiple documents are included or the original document number is unavailable. Multiple document numbers, when available, will be recorded in the SDR remarks. Material identification may be identified as "UNKNOWN" or "MIXED" (multi-pack or other consolidation of different items). When this occurs, quantity and UI will be left blank. When possible, the shipper will be perpetuated from the due-in notification (e.g. 856A) or shipping documentation.

C17.3.10. Follow-Up on Original SDR

C17.3.10.1. When the action activity does not respond to an SDR within the prescribed timeframe specified in this chapter, the reporting activity **shall** submit an SDR identified as a **follow-up**. Prior to submitting a follow-up, the reporting activity **must** first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Follow-up transactions **should** include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.3.10.2. If no response is received to the follow-up within 30 calendar days, the originator contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SOS) to request assistance. **Off line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up.** DDC or SOS will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.3.11. Responsible Action Activity Response to an SDR

C17.3.11.1. Procedures

C17.3.11.1.1. Processing. Responsible action activities shall process all discrepancy reports under the policies and procedures set forth in this publication and the DoD Component implementing regulations. Responsible action activities include all activities required to take action on a reported discrepancy. Action activities shall consider the associated MRA during validation of SDRs. Conflicting information will be investigated as appropriate.

C17.3.11.1.2. Interim Replies. Interim replies may be used to inform the submitter that an SDR has been forwarded to another organization for investigation or resolution. Responsible activities must provide an interim reply where a final reply cannot be provided within the established timeframes. Failure to meet the established timeframes must be caused by reasons outside the control of the ICP/IMM or GSA. Such interim replies shall indicate when additional status will be provided. Identify the interim disposition/status using the appropriate [disposition/status \(reply\) code](#) available from the **DLMS Logistics Qualifier** list. If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.11.1.3. Replies. Responsible activities shall reply to SDRs by submission of a DS 842A/R or other approved SDR response format indicating the

appropriate disposition, e.g., acknowledgment of the report, disposition of the material, validation of the report with authorization of financial adjustment, and/or instructions for repair or other types of corrective action. Identify the interim disposition/status using up to three codes disposition/status (reply) codes available from the [DLMS Logistics Qualifier list](#). If no coding exists to specifically identify the reasons for the delay, indicate Code 137 and provide a clear-text explanation. Supplemental information is provided in accordance with the DS/SF 364.

C17.3.1 1.1.4. Denials. SDRs not meeting the reporting criteria or timeframes specified in this chapter or not including sufficient justification, ***shall be considered for information only, or denied, as appropriate***. The responsible activity will use the SDR response and cite the appropriate disposition/status (reply) code.

C17.3.1 1.1.5. DoD ICP/IMM, Shipping Depot, or GSA Actions. The ICP/IMM, shipping depot, or GSA shall:

C17.3.1 1.5.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation. ***This includes SDRs which the customer has reported as requiring no action (Action Code 1H)***.

C17.3.1 1.5.2. Send the SDR response to include disposition instructions as needed to the customer or the ILCO for SA SDRs. The responsible activity shall provide a point of contact for each SDR response.

C17.3.1 1.5.3. Based upon validated SDR, request that DFAS ***or integrated financial process*** authorize adjustment/credit in accordance with Volume 5, Finance.

C17.3.1 1.5.4. Provide signed evidence of shipment to the ILCO for SA SDR for nonreceipt of material. If this documentation cannot be provided, appropriate credit is required.

C17.3.1 1.5.5. Provide documentation to the ILCO that is matched to the quantity shipped for SA SDRs for concealed shortages. Examples of such documentation are those containing size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the differences is required.

C17.3.1 1.2. Disposition of Material. Use the SDR response as an action reply for those discrepant conditions requiring disposition instructions to the reporting activity, e.g., overages, damages (USPS), deficient material (SA), or erroneous or misdirected material.

C17.3.1 1.2.1. Returning Discrepant Material. When discrepant material is directed to be returned, the responsible activity shall direct the customer to reshipe the material using the same document number under which the material was originally shipped. ***The SOS shall provide reimbursement for packing, crating, handling, and transportation for directed returns under DLMS Volume 3, Finance, procedures. Use the Defense Transportation System (DTS) for the return movement is encouraged. As an Alternative to providing transportation reimbursement, the responsible action activity may provide the transportation account code (TAC) chargeable for the transportation services and supporting information, e.g., the bill of lading number, or provide small package carrier account information.*** In those cases where an exhibit of the discrepant material is directed for return, the activity requesting this action will pay for exhibit shipment costs. Action activities will furnish DD Form 1348-1A for material to be returned. A copy of the SDR and the shipment document should be included with returned material and annotated as a "SDR RETURN." ***For Non-SA customers, materiel not returned as directed within 90 calendar days (if CONUS) or 120 days (if OCONUS) of the SDR reply will be billed.***

C17.3.1 1.2.2. Corrective Action for Packaging Discrepancies. Responsible activities shall immediately investigate reported discrepancies and take action to prevent their recurrence. An indication of what corrective action is required will normally be included in the SDR reply within the specified time limits and directed to the initiator with an information copy to the appropriate control point. For shipments of ammunition, explosives, or other hazardous material, the Department of Defense or GSA responsible activities must provide reports of corrective action in all cases. Wherever possible, use the discrepancy status or disposition code to show the corrective action. Less preferably, briefly summarize the corrective action in the narrative portion of the SDR. A corrective action statement may be recorded on a separate document if additional space is required. Statements of corrective action shall also be sent when requested by the SDR initiator or upon special request of the control point. For contractor originated shipments, investigating activities shall send an information copy of the results of their investigation to the responsible procurement activity or commodity command. Reports of corrective action must not be delayed pending final determination of the contracting officer when reimbursement is warranted. Report final actions when completed. When a Contract Administration Office investigating activity finds corrective or preventive action is outside the scope of contract administration and requires action by the procuring activity, the SDR and investigation report shall be forwarded to the procuring activity for action, with information copies to the appropriate control point and the initiator.

C17.3.1 1.2.3. Corrective Action for Non-Compliant WPM. Action activities in receipt of SDRs reporting WPM non-compliance under generic packaging discrepancy codes, must reassign the discrepancy code to P215 on their responses. This will support mandatory tracking and trend analysis using automated SDR applications. In the event the shipment becomes frustrated, the action activity will provide instructions for corrective action in order to bring the shipment into conformance

or otherwise direct remedial action. Corrective actions and options shall be based upon the circumstances of the quarantined/frustrated shipment, value and priority of the shipment, access to the shipment by DoD personnel, and location of the consignee. Alternatives include:

compliant WPM, C17.3.1 **1.2.3.1.** Inspection, certification, and marking of

C17.3.1 **1.2.3.2.** Replacement of the WPM,

C17.3.1 **1.2.3.3.** Consignee pick-up of the material only, or

C17.3.1 **1.2.3.4.** Return to origin or designated location.

C17.3.1 **1.2.3.5.** Repacking and disposal costs associated with non-compliant WPM receipts shall be the responsibility of the owner of the stock directing shipment (i.e. last identified shipper or item manager). Photographic evidence may be requested to substantiate a claim for the recoupment of funds expended in bringing the shipment into compliance. Where applicable, the reporting activity may submit an [SF 1080](#), Voucher for Transfers between Appropriations and/or Funds.

C17.3.12. Time Standards

C17.3.12.1. Submitting SDRs and SDR Responses. This section provides standard timeframes for submission of SDRs and SDR responses. Time limits for reporting discrepancies relating to contractor warranties are prescribed in individual warranty clauses and/or contracts. These time limits override other time limits specified in this chapter. Time limits do not apply to those IUID discrepancies which must be reported to ensure the IUID registry and/or owner records are properly maintained.

C17.3.12.2. Timeframes for SDR Submission by Non-SA Customers. An SDR shall be submitted by receiving activities and/or transshipment activities as soon as possible but not later than the time standards listed below. SDRs not meeting the reporting criteria or timeframes specified in this guidance and do not present sufficient justification shall be denied.

C17.3.12.3. **Discrepant Controlled Inventory Items, Arms, Arms Parts, Ammunition, and Explosives.** *Report discrepancies within 24 hours of discovery for shortage, overage, wrong item, misdirected shipment. This includes stock number materiel with a catalogued Controlled Inventory Item Code (CIIC) code indicating the item is identified as classified or sensitive. In addition, pilferable codes associated with arms and ammunition are also included (codes N and P) in this category.*

C17.3.12.3.1. CONUS Destinations: 60 calendar days from date of shipment.

C17.3.12.3.2. Overseas Destinations: 120 calendar days from the date of shipment

C17.3.12.3.3. Exception. Time limits do not apply to short shipment and wrong item discrepancies discovered upon opening a sealed vendor pack.

C17.3.12.3.4. Late Submission. When circumstances prevent compliance with the above time standards, e.g., response to a tracer action reveals a supposed transportation discrepancy to be a shipping/packaging discrepancy, the reasons for delay shall be using a brief clear-text explanation. If appropriate, the responsible activities will honor the discrepancy report. Reporting activities are required to send SDRs to report a shipping or packaging discrepancy even after the above submission time standard has elapsed. If lacking justification, action activities will normally process for use in reporting metrics and corrective action, if appropriate. The SOS shall not be considers responsible for financial resolution on late submission SDRs unless shipment history is available and the circumstances warrant such action.

C17.3.12.4. Timeframes for SDR Response. Responsible **action** activities shall reply to all SDRs received within the following time **standards**. ***Interim responses shall be provided when extenuating circumstances necessitate additional processing time.***

C17.3.12.4.1. ***Discrepant controlled inventory items, arms, arms parts, ammunitions, and explosives (shortage/overage/wrong item/misdirected): Total response time, to include sequential processing by multiple action activities when necessary, shall not exceed 25 days. Wrong item receipts identified as controlled/sensitive and unidentified items shall be returned to the designated location within 30 days of the SDR reply. Supply sources shall monitor for the return and follow-up with the follow-up with the SDR submitter if materiel is not returned.***

C17.3.12.4.2. ***DDs shall respond to SDRs submitted directly to the shipping activity within 25 calendar days. Responses fro DDs shall be identified as recommendations pending processing by the SOS or finance center if applicable base upon DoD Component business rules.***

C17.3.12.4.3. ***ICP/IMMs shall respond to SDRs submitted directly to the SOS within 50 calendar days. Where sequential process by DD and ICP/IMM are required, total processing time shall not exceed 50 days.***

C17.3.12.4.4. ***Action activities receiving SDRs inappropriately shall make every effort to forward to the correct action activity within 5 calendar days. Customers should be aware that misrouting of SDRs may extend total processing time beyond the authorized 50 day processing time.***

C17.3.13. Distribution of SDRs

C17.3.13.1. General

C17.3.13.1.1. Requirements. U.S. Customers shall submit SDRs for initial action in accordance with Appendix 3. SA Customers shall submit all SDRs for SA shipments to the ILCO for initial action and the ILCO shall forward as appropriate in accordance with Appendix 3. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible activity will make additional distribution of the report as required. The submitter shall provide a copy of the Serious Incident Report, or other Component-required report, regarding controlled inventory items believed to be stolen, lost, or unaccounted for.

C17.3.13.1.2. Use of the Electronic SDR. Where access to an electronic SDR and associated supply information are available, hard-copy documents shall not be mailed unless requested by the action activity. Exceptions to this include information not readily available to the responsible/action activity and photographic/pictorial evidence of the discrepancy. Where access to an automated discrepancy reporting system is not available, forward the SDR with attached shipping/billing documents to each responsible activity and information addressee.

C17.3.13.1.3. Return to Contractor. When discrepant material is directed for return to a contractor, enclose a hard-copy SDR including disposition instructions. No statement adversely affecting the Government's claim shall be shown on any documentation returned to the contractor.

C17.3.13.2. Transfers of IMM Responsibilities

C17.3.13.2.1. Logistics Reassignment. Under the logistics reassignment procedures, IMM responsibility for an item may have been transferred to another DoD Component after the date of shipment. In these instances, a single discrepancy reported on a requisition line-item may require action and/or reply from two different DoD Components (e.g., shipper's IMM/ICP and Gaining Item Manager (GIM)). For example, on receipt of an incorrect item, one DoD Component could be responsible for the investigation (shipping activity) and the initiation of a billing adjustment (shipper's IMM/ICP) for the item billed (but not received), and the GIM would be responsible for providing disposition instructions for the erroneous material.

C17.3.13.2.2. Response Coordination. It is not the responsibility of the SDR initiator to forward copies of the SDR to all parties involved. Instead, it shall be the responsibility of the shipping activity or Losing Item Manager (LIM) to coordinate with the GIM for an appropriate response/disposition to the submitter.

C17.3.14. Contested Decisions for Non-SA Related Discrepancies. When the SDR originator does not concur with a reply/disposition received in response to an SDR, they shall forward the SDR indicating a contested decision. Requests for

reconsideration pertaining to DD shipments shall be forwarded to the shipping depot; all others shall be forwarded to the SOS. **Requests for reconsideration must be submitted within 45 calendar days from date of action activity response.** Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Requests for reconsideration transactions require all data that was in the previous SDR submission. In addition, a narrative entry is required to provide justification for reconsideration. POC information for the new submission and submission date is required. An SDR must be in a closed status before a request for reconsideration can be submitted (this means the action activity reply to the SDR must be recorded within the applicable Component application). The designated recipient of the request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SOS for resolution (when the SDR is forwarded, the 45 days for processing and evaluation will begin when the SDR is received by the SoS). The resulting decision shall be final.

C17.3.15. Correction and Modification/Update of Original Report. When the originator wishes to modify status or requested action concerning a previously submitted SDR, a new transmission of the SDR may be used to accomplish this. Indicate that the SDR is a modification or correction and forward to all parties who received the original submission. Cite the nonconformance report number of the original report. Include the WebSDR-assigned control number when known. Do not duplicate information from the original report except as indicated in the DS. Provide POC information. A brief narrative description of the revision must be included. Significant errors, such as an incorrect original requisition document number must be corrected by canceling the original SDR and submitting a new report.

C17.3.16. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a new SDR cancellation must be prepared to cancel the original. Forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DS. Provide POC information. **A brief narrative description of the reason for cancellation should be included.** The originator may submit a revised SDR under a new nonconformance report number.

C17.3.17. GSA Shipments. On shipments from GSA shipping activities or directed by GSA from a contractor/vendor (regardless of dollar value), will investigate and, when appropriate, credit the account cited on submission of SF 1080, Voucher for Transfer Between Appropriation and/or Funds. Reference to the SDR by its nonconformance report number is acceptable as supporting documentation.

C17.3.18. Consignor Replies on Industrial Plant Equipment (IPE) Packaging Deficiencies. Consignor (shipper) replies on industrial plan equipment (IPE) packaging deficiencies which Defense Supply Center Richmond has previously funded for

packaging, crating and handling (PC&H) will provide necessary documents to transfer or reimburse funds for any required corrective action. Handling for PC&H is based on specified requirements for IPE in [MIL-HDBK 701](#), Military Standardization Handbook Blocking, Bracing, and Skidding of Industrial Plant Equipment, and [MIL-STD 107](#), Military Standard Preparation and Handling of Industrial Plant Equipment.

C17.3.19. Follow-up on Credit Adjustments on SDRs. When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When concerned about an apparent nonreceipt of credit and 60 calendar days has elapsed, the SDR submitter should consult the bill-to finance office for verification. When nonreceipt of credit is confirmed, the financial office shall submit a request for billing adjustment as prescribed by DLMS Volume 5, Finance.

C17.3.20. MRA. ICPs shall monitor for discrepancies reported on MRAs, (DS to 527R) to ensure identified discrepancies have been properly reported.

C17.3.21. DAAS SDR Processing

C17.3.21.1. Under DLMS, SDRs shall be integrated with standard logistics transaction processing through DAAS. DAAS shall perform the following actions:

C17.3.21.1.1. Pass/route SDR transactions

C17.3.21.1.1.1. Generate and route an information copy of SDRs reporting packaging discrepancies associated with USAF-directed shipments to the USAF packaging office.

C17.3.21.1.1.2. Route the action copy of SDRs reporting distribution depot receipt of PQDR exhibits (Discrepancy Code Q11) to the material owner by agreement with DLA. For USAF owners this process will use an electronic (email-based) interface with the USAF processing system for product quality.

C17.3.21.1.2. Edit SDR transactions in accordance with business rules specified below.

C17.3.21.1.3. Provide translation capability to support a variety of communications methods for exchanging computer-readable SDR transactions.

C17.3.21.1.4. Maintain historical records of SDRs and associated transactions.

C17.3.21.1.5. Provide access to SDR information via Web Visual Logistics Information Processing System (WEBVLIPS).

C17.3.21.1.6. Provide ad-hoc queries and management reports.

C17.3.21.1.7. Maintain the DoD WebSDR as a value-added service to support submission, reply, and other functions related to SDR processing.

C17.3.21.2. DAAS shall edit SDR transactions prior to passing/routing to ensure minimal standards of acceptability. Reject to the generating activity SDR and follow-on transactions that do not meet the following conditions:

C17.3.21.2.1. SDR transactions must contain valid values as appropriate to the transaction purpose: discrepancy code, action code, and disposition/status code. Reject with Disposition/Status Code (Reply) 915, 916, or 927.

C17.3.21.2.2. SDR must include material identification. Material identification may consist of the NSN, manufacturer's part number and manufacturer's CAGE, or manufacturer's part number and a description. Where wrong item discrepancies are reported, material identification of the wrong item must be included. Wrong item received may be identified as previously indicated or by description alone (citing "UNKNOWN" as the wrong item part number). Reject with Disposition/Status (Reply) Code 931.

C17.3.21.2.3. SDRs reporting material received is not in the correct condition must include valid condition codes to identify the received conditions. Only valid condition codes shall be permitted. Reject with Disposition/Status (Reply) Code 928.

C17.3.21.2.4. SDRs coded to indicate narrative is required must provide applicable narrative. Reject with Disposition/Status (Reply) Code 924.

C17.3.21.2.5. SDRs must include minimal point-of-contact information to include name and phone/email. Reject with Disposition/Status (Reply) Code 920 or 921.

C17.3.21.2.6. Only valid DoDAACs and Routing Identifiers will be permitted. Reject with Disposition/Status (Reply) Code 929.

C17.3.21.2.7. Quantity fields will only allow entry of numeric values. Reject with Disposition/Status (Reply) Code 917 or 918.

C17.3.21.2.8. SD R replies coded to indicate that a ship-to/mail to address or additional information is associated with the reply, must include the specified additional address or information as transaction data fields or must include narrative remarks. Reject with Disposition/Status (Reply) Code 930.

C17.3.21.2.9. SDR follow-ups must comply with follow-up submission timeframes. Follow-ups submitted without allowing sufficient action activity response time will be rejected (a minimum of 30 days will apply). Reject with Disposition/Status Code 933.

C17.3.21.2.10. Reply Code 504 forwarding action may not be used to forward SDRs where incomplete information is available, to construct the new forwarded SDR, or the SDR is otherwise not suitable for automated forwarding action. Reject with Disposition/Status (Reply) Code 935.

C17.3.21.3. DAAS will edit SDR submissions via DoD WebSDR at the point of entry to improve the accuracy of the data content. All of the above criteria apply. In addition, web-specific functionality includes:

C17.3.21.3.1. The SDR submission process will be facilitated by the auto-population of data content based upon the shipment and cataloging data available to DAAS.

C17.3.21.3.2. Address information will be retrieved based upon DODAAC and routing identifiers. User generated updates to initiator's address are permitted and will be passed to the receiving system for information, but will not impact SDR processing.

C17.3.21.3.3. SDR replies coded to indicate that an address or additional information is associated with the reply, must include the specified additional address or information.

C17.3.21.4. DAAS shall provide the support to SDR transaction exchange to facilitate DLMS processes.

C17.3.21.5. DAAS shall facilitate appropriate distribution when the action party receiving the initial distribution employs the Distribution/Status (Reply) Code 504 indicating the SDR must be forwarded to a new action activity. When the new action activity is a DD, the original SDR will be retransmitted to the designated DD. The customer will receive notification of interim status.

C17.3.21.6. DAAS shall facilitate appropriate distribution when the action party receiving the initial distribution employs distribution status codes in the 300 series indicating that the SDR must be sent to the SOS for disposition. The SDR reply will be sent to the designated SOS and to the SDR initiator for notification of interim status.

C17.3.21.7. DAAS will respond to DAAS-directed rejected reply transactions indicating no matching original report or information copy of the SDR is found in the automated application (Reply Code 926), by providing an information copy of the original report to the activity which rejected the reply. Unmatched requests for an information copy will be returned by DAAS reject (Reply Code 926) to the sending organization. (ADC 225 implementation pending). DAAS will create and forward an information copy of the DLA source of supply for all customer SDRs based upon the storage site reply where an information copy was not previously provided (ADC 225A).

C17.3.21.8. DAAS shall provide information copies of SDRs in accordance with Component business rules and as designated by the initiator.

C17.3.21.9. DLA Enterprise Business System (EBS) will receive an information copy of all SDRs routed to DD for initial action where EBS is the SOS.

C17.3.21.10. All parties receiving an information copy of the original SDR as designated by the initiator or by a Component business rule will receive a copy of all changes, cancellation, and replies associated with the SDR.

C17.4. MANAGEMENT EVALUATION

C17.4.1 Purpose. The supply discrepancy reporting program is designed to promote evaluation, correction, and improvement of logistics operations. To accomplish this objective, discrepancies as specified in this publication must be reported and investigated in accordance with established policies and procedures. DoD Components will institute SDR quality programs that will include periodic reviews to assess the accuracy and quality of work processes applicable to supply discrepancy processing. In addition, DoD Components shall require, as a minimum, semi-annual summary reporting to an appropriate headquarters for review and analysis. The DoD Components unable to support the full scope of the required data collection under legacy systems shall incorporate this reporting requirement under business system modernization efforts. Data collected must be sufficient to enable monitoring activities to:

C17.4.1.1. Identify trends

C17.4.1.2. Establish volume and dollar values of SDRs.

C17.4.1.3. Bring management attention to problems with shipping activities as necessary.

C17.4.1.4. Prevent recurrence of discrepancies.

C17.4.2. IMM/ICP Summary Reporting. As a minimum, the IMM/ICP and shipping activities must have visibility of detail/summary reports that show:

C17.4.2.1. The number of SDRs received during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission timeframes.

C17.4.2.2. The number of SDRs responses processed during a particular timeframe by action activity, dollar value, and discrepancy type. Reports will show a breakdown of SDR actions taken to include dollar value of credit authorized and reshipped material. Reports will measure compliance with SDR processing timeframes and show age of ongoing investigations.

C17.4.3. Receiving Activity Reporting. As a minimum, the U.S. Government receiving activity and the ILCO must have visibility of detail/summary reports that show:

C17.4.3.1. The number of SDRs prepared during a particular timeframe by shipping activity, dollar value, and discrepancy type. Reports will measure compliance with SDR submission, processing, and follow up timeframes.

C17.4.3.2. Responses received from the responsible action activity, and dollar values recovered, either in the form of reshipped material or credit received.

C17.5. SECURITY ASSISTANCE (SA) DISCREPANCY REPORTS

C17.5.1. This section provides specific procedural guidance relevant to the processing of SA SDRs. Based upon United States of America Letter of Offer and Acceptance (LOA) agreements, SA customers will use SDRs to report all supply, billing/financial, and product quality discrepancies associated with SA shipments as defined in paragraph C17.1.7, Types of Discrepancies. Detailed descriptions of supply discrepancies are provided beginning in paragraph C17.3.2. In addition to the standard data content, SA SDR shall include the location of the discrepant material (In-country depot, freight forwarder, US government facility, or contractor facility) and the country which received the discrepant material. SA discrepancy reports below dollar limitations contained in the United States of America Department of State Letter of Offer and Acceptance controlling the case, or any other sales agreement with an SA purchaser, shall not be accepted by the ILCO for processing by the DoD Components unless a valid justification for the submission is also provided.

C17.5.1.1. All SA SDRs will be submitted directly to the ILCO identified in Appendix 3, SDR Distribution, for initial screening and processing in accordance with this manual and DoD 5105.38-M, Security Assistance Management Manual (SAMM). SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats. Incorrect item SDRs must provide supporting documentation to include photographs of the wrong item received.

C17.5.1.2. As appropriate, SDRs will be forwarded for further processing to DoD ICP/IMM, shipping depot, or GSA. Total nonreceipt SDRs will normally be forwarded directly to the shipping depot. All responses to discrepancy reports will be returned to the ILCO.

C17.5.1.3. ICP/IMM or depot action activities will provide the SDR reply using the DLMS standard SDR transactions via DoD WebSDR as described in paragraph C17.1.2. and C17.1.3. Pending full DLMS implementation other authorized electronic/automated format equivalent to the SF 364 may also be used to include, at a minimum, the requisition document number, the report number (item 2 of the SF 364), point of contact, and pertinent information from

the data blocks on the reverse side of the SF 364 or the expanded code lists available from the [DLMS Logistics Qualifiers list](#).

C17.5.1.4. Time Standards

C17.5.1.4.1. Time Standards for SDR Submission by SA Customers. Discrepancy report preparation and submission time by the SA purchaser is limited to the time standards cited in the United States of America Department of State Letter of Offer and Acceptance, and amendments thereto, as explained in [DoD 5105.38-M](#).

C17.5.1.4.2. SA customers receiving misdirected shipments or shipments containing incorrect items which are identified as classified/sensitive materiel, and/or arms, arms parts, or explosives, must report within 24 hours of discovery regardless of dollar value for disposition. Where estimated dollar values are unknown or fall below the minimum criteria, report using SDR Action Requested Code 1A. Disposition instructions for discrepant materiel requested; financial action not applicable.

C17.5.1.4.3. ILCOs are permitted 15 calendar days from the time of receipt for processing discrepancy reports prior to forwarding to the appropriate ICP/IMM, shipping depot, or GSA action activity and again upon return from the action activity. Upon return of the SDR response from the action activity, ILCOs are permitted 15 calendar days for processing and forwarding to the SA customer.

C17.5.1.4.4. Response time standards for the action activity are as specified in paragraph C17.3.11.1.3, Time Standards for SDR Response.

C17.5.1.5. Disposition of Discrepant Materiel

C17.5.1.5.1. Incorrect item. Whenever materiel is directed for return to U.S. custody, the purchasing country will be instructed to reshipe the materiel using the same document number under which the materiel was originally shipped. The country will be advised that they must return the materiel to U.S. Government (USG) custody within 120 days from date of approval/instructions. However, the time standard allowed for the return of wrong item controlled/sensitive materiel or unidentified materiel is 30 days from date of the ILCO reply. The ILCO shall monitor directed returns and follow-up with customers where controlled/sensitive materiel has not been returned. In those instances when materiel is to be returned to the United States at USG expense, every effort will be made to utilize the DTS for the return movement. Provide the Service/Agency transportation account code (TAC) chargeable to return the discrepant materiel to the appropriate U.S. Government activity or other designated location. In lieu of the TAC, the action activity may provide commercial package carrier account information. In addition, the SOS shall

provide reimbursement for packing, crating, handling for directed returns under DLMS Vol 3/MILSBLLS procedures. The SOS shall also provide reimbursement for in-country transportation of the original shipment to the SA customer (when a directed return applies) under procedures prescribed by DoD 5105.38-M, as amended. When appropriate the action activity may direct the submitter to return an exhibit of the discrepant materiel. The activity requesting this action will pay for exhibit shipment costs. The exhibit shall be returned to US Government custody within 90 calendar days from the date of instructions. Action activities or the ILCO will furnish DD Form 1348-1A for materiel to be returned. A copy of the SDR and DD Form 1348-1A should be included with returned materiel and annotated as an SDR RETURN. Upon evidence of materiel being returned, a credit adjustment will be processed for the return of the discrepant materiel if previously authorized. This evidence releases the SA customer of liability for the materiel.

C17.5.1.5.2. Discrepant SA materiel not being returned to the stocks of the Department of Defense or GSA, or retained, or sent to disposal by the foreign government at the direction of the ILCO, shall be turned in to the nearest U.S. accountable military activity (regardless of the DoD Component responsible for the materiel). This is in accordance with the governing regulation serving as the authority for the turn-in. The local U.S. military activity shall take the materiel up in stock as a gain to inventory and determine if materiel is required or is in excess to requirements. If materiel is required, it shall be retained. If excess to requirements of the local military activity, the materiel must be reported under Chapter 12.

C17.5.1.6. The DoD shipping activity will retain paper copy of the SA shipping documentation (signed carrier's receipt and shipping document) at the shipping site for a period of 2 years following the shipping date. After this point, the paper records will be retired to the appropriate Federal Records Center for a period of 28 years. The stored records must be segregated by country and the container marked accordingly. Billing documentation will be retained by the Military Departments and DoD agencies as specified in MILSBILLS and DoD 7000.14-R, Vol. 15, Department of Defense Financial Management Regulation (Security Assistance Policy and Procedures).

C17.5.1.7. Incorrect item SDRs are not permitted for authorized substitution, unless the substitute item does not meet fit, form, or function standards. DoD Components and GSA follow the policy of automatic shipment of an interchangeable item unless the requisition contains an appropriate advice code, in accordance with [DoD 4000.25-1-M](#), Military Standard Requisitioning and Issues Procedures (MILSTRIP), appendix 2.15, or DoD 4000.25-M, Defense Logistics Management System (DLMS), Volume 2, Supply, [Chapter 4, Requisitioning](#), limiting the request to a specific item. Similarly, quantities may be adjusted to the unit pack quantity, when appropriate, unless restricted by the

appropriate [advice code](#) in the customer requisition. Such adjustments resulting in quantity variance are not reportable as discrepant.

C17.5.1.8. When an SDR is initiated for nonreceipt, the SA customer is required to provide documentation from the freight forwarder indicating that no materiel has been received on the requisition and transportation control numbers that apply. The ILCO will deny any nonreceipt SDRs received that do not have this documentation attached. The ILCO will return these SDRs to the customer as incomplete.

C17.5.1.9. The report initiator will indicate on the SDR what action is requested. Typical requested actions are listed by code on the SF 364 and an expanded list is available from the [DLMS Logistics Qualifiers list](#).

C17.5.1.10. SDR Follow-up. When the action activity does not respond to an SDR within the prescribed time Standard specified in this chapter, the ILCO, acting on behalf of the SA customer shall submit an SDR follow-up. Prior to submitting a follow-up, the ILCO must first attempt to ascertain the status of the SDR using the DoD WebSDR query function. If there is no record of an action activity reply, a follow-up should be submitted. Follow-ups must be directed to the last identified action activity when the original SDR was forwarded by the original recipient. Cite the SDR report number of the original report. For transactional exchange, include the DAAS-assigned control number when known. Follow-up transactions should include all data that was in the previous SDR submission. POC information for the follow-up and the follow-up date are required. A narrative entry is required to provide clarification for the follow-up.

C17.5.1.11. If no response is received to the follow-up within 30 calendar days, the ILCO may contact the Defense Distribution Center (DDC) for DD shipments or the source of supply (SOS) to request assistance. Off-line communication with the action activity is recommended because electronic processing errors may have impeded timely response to the SDR and subsequent follow-up. DDC or SOS will ensure that a response with disposition or interim status is provided within 30 calendar days.

C17.5.1.12. Cancellation of an Original Report. When an SDR originator discovers a previously reported SDR is not valid or appropriate for any reason and should be withdrawn, a SDR cancellation must be prepared to cancel the original. The ILCO via WebSDR will forward to all parties that received the original submission. Cite the original report number and the WebSDR-assigned control number when known. Do not duplicate detail information from the original report except as indicated in the DS. Provide POC information. A brief narrative description of the reason for cancellation should be included. The originator may submit a revised SDR under a new nonconformance report number.

C17.5.1.13. Contested Decisions and Requests for Reconsideration.

These procedures allow the report originator to voice disagreement with disposition decisions. The SA purchaser has recourse through the ILCO to the ICP/IMM or GSA and, if still not satisfied, to the ILCO's Service focal point.

C17.5.1.13.1. Requests for Reconsideration. *The SA purchaser may ask the U.S. Government to reconsider the disposition for a reported supply discrepancy. Purchasers must send a written request to the ILCO within 45 calendar days from the date of the ILCO reply to the customer concerning disposition, as provided by the responsible action activity. Use the nonconformance number associated with the original report. When the customers ask for reconsideration, the ILCO shall add a Suffix Code R to the SDR number. The ILCO shall convert the request for reconsideration to electronic transmission and forward to the appropriate DoD ICP/IMM or GSA action activity for reconsideration within 20 calendar days of receiving the request for reconsideration from the customer. If relevant information is not accessible by the responsible activity, the ILCO may forward supporting documentation. The designated recipient of the request for reconsideration shall review all data relating to the problem and provide a response to the reporting activity with information to all concerned parties within 45 calendar days. When the shipping depot is unable to respond to the contested SDR, the depot will forward the SDR to the SOS for resolution (when the SDR is forwarded, the 45 days for processing and evaluation will begin when the SDR is received by the SOS).*

C17.5.1.13.2 Second Request for Reconsideration (Contested for SA-Related Discrepancies). *SA customers may further contest the ICP/IMM or GSA decision given after the request for reconsideration. To do so, the customer must send a written request to the ILCO within 45 calendar days from the date of the ILCO reply to the request for reconsideration. The customer must indicate why the ICP/IMM or GSA decision is not satisfactory. Cite the nonconformance number on the original SDR. The ILCO shall add a suffix code C to the report number which will be used in all references to the SDR. The ILCO shall convert the request to electronic transmission and forward the SDR, with an appropriate advice code, within 20 calendar days to the appropriate focal point who shall review all the information and send the ILCO the final decision within 50 calendar days from the date of receipt of the ILCO information. If relevant information is not accessible by the focal point, the ILCO may forward supporting documentation. The ILCO shall ensure all interested parties receive the SDR resolution*

C17.5.1.14. Follow-up on Credit Adjustments on SDRs

C17.5.1.14.1. *When an action activity has indicated that a credit adjustment has been authorized, reimbursement is normally provided to the fund code and bill-to address cited on the original requisition. When*

concerned about an apparent nonreceipt of credit, the ILCO should consult with the appropriate finance office for verification. Allow a minimum of 60 days from the date of the SDR response before initiating a follow-up action. To facilitate research of supply and financial records, it is suggested that follow-up action for nonreceipt of credit associated with the return of discrepant materiel occur within a reasonable period (e.g., not longer than 45 days after the ILCO provides the action activity the initial notice with evidence of discrepant materiel return).

C17.5.1.14.2. When nonreceipt of credit is confirmed, the ILCO will submit a request for billing adjustment as prescribed by MILSBILLS (Document Identifier Code FAE and billing advice code 26) or the DLMS, Volume 7, Finance. Do not send a hardcopy of the SDR or reply, as this may create duplicate work for the finance centers and may cause improper processing of your request.

C17.5.1.15. Product Quality. Report product quality deficiencies relative to SA shipments only. However, the SA customer must provide evidence that a receipt inspection was done and the defect could not be detected at that time and that the defect is present for reasons other than deterioration or damage incurred during storage or handling. Quality deficiencies include deficiencies in design, specifications materiel, manufacture, and/or workmanship. The submitter must identify by discrepancy code latent defects and quality deficiencies that result in a safety hazard. Include the following information in the SDR, as applicable: manufacturer's name; contract/purchase order number; date of manufacture, pack, or expiration; lot/batch number; location of materiel; point of contact information (if other than the preparing official); along with a detailed description of the complaint if needed to supplement encoded information. In addition, provide photographs, test data, and related documentation. When submitting a latent defect discrepancy code on the SDR, the report must include substantiating documentation to validate the latent defect such as the applicable test report used to identify the latent defect. Latent defects must be submitted to the ILCO with substantiating documentation. Following is a list of potentially applicable forms of substantiating documentation:

C17.5.1.15.1. Receipt tests conducted and test reports (including test equipment model, serial number and software version), or documentation of receipt tests not conducted, and justification for tests not conducted.

C17.5.1.15.2. Subsequent tests conducted and results including test equipment model, serial number, and software version along with test readings.

C17.5.1.15.3. Justification that initial receipt inspection and testing could not have detected the deficiency.

C17.5.1.15.4. Documentation of storage and handling of the item since receipt including type of storage.

C17.5.1.16 Billing Discrepancy. Billing discrepancies reported to the ILCO on an SDR shall be converted to the appropriate DS 812R, Request for Adjustment of Non-Fuel Billing, or DLSS/Military Standard Billing System Document Identifier FAE.

C17.5.1.17. Financial Discrepancies. Financial discrepancies reported to the ILCO on an SDR shall be forwarded to DFAS-DE/I for processing.

C17.5.1.18. Management Evaluation. As a minimum, the ILCO must have visibility of detail/summary reports that reflect:

C17.5.1.18.1. The number of SDRs received during a particular time Standard by customer with breakdown by shipping activity reflecting dollar value and discrepancy type. Reports will measure customer compliance with SDR submission time standards and ILCO compliance with SDR processing time standards.

C17.5.1.18.2. Reports will reflect a breakdown of SDR action activity response reflecting actions taken to include dollar value of credit authorized and reshipped materiel.

C17.5.2. Responsibilities

C17.5.2.1. The ILCO will:

C17.5.2.1.1. Complete initial SDR screening in accordance with this manual and DoD 5105.38-M.

C17.5.2.1.2. Review all SDRs received for processing and determine proper course of action based on available case history data. Reject discrepancy reports which fail to meet SA time and dollar standards (with exception of those which require disposition instructions for wrong item received or misdirected shipments) or do not contain required data, unless such data is readily available, at the ILCO. Forward SDRs to the appropriate ICP/IMM, shipping depot, or GSA action activity.

C17.5.2.1.3. Reject duplicate SDRs, except those which are resubmitted to request reconsideration of previous decision.

C17.5.2.1.4. Review all requests for reconsideration which contest a reconsideration decision (2nd request for reconsideration). Reject those requests which lack sufficient justification or which were not received within the established time standards.

C17.5.2.1.5. Process to the SA customer initial acknowledgment of receipt of SDR replies and/or denials.

C17.5.2.1.6. Report the disposition of SDRs applicable to materiel and services to the DFAS-DE/I as required in the [DoD 7000.14-R](#), Volume 15.

C17.5.2.1.7. Review SDR replies from action activities for completeness and reject those which do not specify necessary information, e.g. disposition instructions for discrepant materiel.

C17.5.2.1.8. Maintain records of all SA-related discrepancy reports to completion.

C17.5.2.2. The DoD ICP/IMM, shipping depot, or GSA will:

C17.5.2.2.1. Review all SDRs received for processing and determine proper course of action based on available supply records and the results of investigation.

C17.5.2.2.2. Furnish properly completed SDRs to the ILCO for further processing to the SA customer. The action activity shall cite the appropriate disposition/status code as provided in DLMS Logistics Qualifiers list pending full DLMS implementation, the action activity may use reverse side of the SF 364 or electronic equivalent using the appropriate blocks.

C17.5.2.2.3. Based upon validated SDR, request that DFAS authorize adjustment/credit in accordance with MILSBILLS or the DLMS, Volume 7, Finance.

C17.5. 2.2.4. Provide signed evidence of shipment to the ILCO when nonreceipt of materiel is involved. If this documentation cannot be provided, appropriate credit is required.

C17.5.2.2.5. Provide documentation which is matched to the quantity shipped for concealed shortages. Examples of such documentation are those which contain size, total weight, and cube accepted by the carrier. Credit is denied if the documentation, in conjunction with the unit weight, supports shipment of the total quantity billed. Otherwise, appropriate credit for the difference is required.

C18. CHAPTER 18

SMALL ARMS *AND LIGHT WEAPONS* SERIAL NUMBER REGISTRATION AND REPORTING

C18.1. SCOPE.

C18.1.1. Applicability. The provisions of this chapter apply to the DoD Components responsible for inventory management of small arms *and light weapons (SA/LW)* and other activities involved in the shipment, registration, or receipt of *SA/LW*.

C18.1.2. Transactions. *This chapter addresses the procedures applicable to the following ASC X12 transaction functions identified by their beginning segment transaction type codes and, where applicable, action codes. The corresponding MILSTRAP transaction functionality is identified for information purposes in a mixed DLSS/DLMS environment. Other formats, such as DLMS XML, are also available. See the DLMSO website for available DLMS formats.*

C18.1.2.1. DS to the Federal IC 140A, Small Arms and Light Weapons (SA/LW) Reporting, *is used for the following transaction functions identified by the beginning segment (1/BGN/20) Transaction Type Code (BGN07) and, where applicable, Action Code (BGN08):*

C18.1.2.1.1. SA/LW Control Reporting Transaction *is identified by Transaction Type Code W4 – Weapons Control Report. This transaction provides MILSTRAP DI Code DSM functionality.*

C18.1.2.1.2. SA/LW Receipt/Shipment Follow-up Transaction *is identified by Transaction Type Code W4 – Weapons Control Report, with Action Code T - Status Query. This transaction provides MILSTRAP DI Code DSD functionality.*

C18.1.2.1.3. SA/LW Reconciliation Transaction *is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation. This transaction provides MILSTRAP DI Code DSR functionality when DSR is used as reconciliation transaction.*

C18.1.2.1.4. SA/LW Reject Transaction *is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation, with Action Code U - Reject. This transaction provides MILSTRAP DI Code DSR functionality when DSR is used to reject invalid/erroneous SA/LW transactions.*

C18.1.2.1.5. SA/LW Reconciliation/Reject Follow-up Transaction *is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation,*

with Action Code T – Status Query. This transaction provides MILSTRAP DI Code DSF functionality.

C18.1.2.1.6. SA/LW Correction Transaction is identified by Transaction Type Code W5 – Weapons Control Report Reconciliation, with Action Code AC – Acknowledge. This transaction provides MILSTRAP DI Code DSC functionality.

C18.1.2.2. DS to the Federal IC 888A. SA/LW Data Change Transaction is identified by DS 888A beginning segment (1/BGN07/15) Transaction Type Code W1 – Weapons Data Change. This transaction provides MILSTRAP DI Code DSA/DSB functionality.

C18.2. GENERAL REQUIREMENTS

C18.2.1. Purpose. This chapter provides procedures for reporting **SA/LW** serial number data between the DoD Components and the DoD **SA/LW** Registry (**hereafter referred to in this chapter as the DoD Registry**). **SA/LW**, as defined in Definitions and Terms, including those mounted on aircraft, vehicles, and vessels, that are accounted for in unclassified property records, **shall** be reported (included will be foreign and commercial weapons, museum pieces with serial numbers, **and captured, confiscated or abandoned enemy SA/LW in the possession of the Department of Defense**).

C18.2.2. List of Serial Numbers in Shipments. In addition to the shipment requirements contained in this volume, the shipping activity shall send a listing of the weapon serial numbers contained in each shipment with the shipment documentation accompanying **SA/LW** shipments between the DoD Components. When shipments consist of multiple containers, the listing shall identify which serial numbers are within each of the containers.

C18.2.3. SA/LW Without an NSN and/or Serial Number. **SA/LW** without an NSN and/or **SA/LW** (except museum pieces) with missing, obliterated, mutilated, or illegible serial numbers, when discovered, shall be reported to the DoD Registry by the Component Registry, for review and assignment of a Management Control Number (MCN)/NSN and/or serial number. Assignment of Local Control Number (LCN) or MCN shall not replace or be used in lieu of procedures to request assignment of an NSN where applicable. The Component Registry shall report all **SA/LW** without an NSN and/or **SA/LW** serial number, by message or letter, for assignment of serial number and/or NSN in the following format:

C18.T1. Format To Report SA/LW Without an NSN and/or Serial Number

<u>NSN</u>	<u>Serial Number</u>	<u>Description</u>
(NSN or none)	(Serial Number or none)	(Make, model, caliber, and other nomenclature)

C18.2.4. LCN/MCN. LCNs/MCNs shall be used by the DoD Components for weapon identification until a valid NSN can be obtained from the DoD Registry in accordance with C18.2.3, above, or notification that the MCN/LCN will not be assigned an NSN.

C18.2.5. Lost, Abandoned, or Unclaimed Privately Owned. Lost, abandoned, or unclaimed privately-owned **SA/LW** that are processed through a Board of Officers for actions described in DoD 4160.21-M, Chapter VI, and later turned into a DRMO, shall be registered immediately when they come under U.S. Government control.

C18.2.6. Non-appropriated Funded. Nonappropriated funded **SA/LW** turned into a DRMO and privately owned weapons classified as claims property shall be registered immediately when they come under the control of the Department of Defense. **SA/LW** that are claimed (private property whose title has passed to the Department of Defense as a result of a claim against the U.S. Government due to its damage in connection with U.S. Government activities, usually movement of household goods) and confiscated (private property whose title has passed to the Department of Defense as a result of being confiscated by appropriate authority, usually as a result of being abandoned and/or unauthorized for personal possession) by DoD activities shall be reported immediately to the Component Registries.

C18.2.7. Ceremonial/Training. The DoD Components shall obtain a new NSN (or currently assigned NSN) from the DoD Registry for modified weapons rendered inoperable that are used for ceremonial or training purposes. These weapons shall be retained on the Component Registries as weapons subject to the reporting criteria.

C18.2.8. Lost, Stolen, and/or Recovered. The DoD Components shall establish procedures to ensure reporting of lost, stolen, unaccounted for, and/or recovered **SA/LW** under the provisions of [DoD 5100.76-M](#).

C18.2.9. Mobilization. In the event of mobilization or other emergency, the DoD Registry and the Component Registries shall continue to operate and be maintained. **SA/LW** Transaction Code J (Emergency Suspense Status) **may** be used in emergency situations as authorized by the individual DoD Components.

C18.2.10. Enemy SA/LW. Captured, confiscated or abandoned enemy SA/LW in the possession of the Department of Defense as a result of military actions shall be registered. SA/LW may be of foreign or domestic manufacture and may include recaptured US military SA/LW.

C18.3. OBJECTIVES

C18.3.1. Establish continuous visibility over all **SA/LW** by serial number from the contractor to depot; in storage; in-transit to requisitioners; in post, camp, and station custody; in the hands of users; during turn-ins; in renovation; and during disposal/demilitarization.

C18.3.2. Interface the **SA/LW** serial number reporting between the DoD Components using standard procedures.

C18.3.3. Provide follow up procedures for delinquent shipment/receipt transactions.

C18.3.4. Provide **SA/LW records** reconciliation procedures.

C18.3.5. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity having a specific serial numbered **SA/LW**.

C18.4. EXCLUSIONS

C18.4.1. Non-appropriated Funds Purchases. **SA/LW** purchased with non-appropriated funds and privately-owned weapons are exempt from being reported to the DoD Registry since these weapons are controlled by civil authorities under the Gun Control Act of 1968. (This does not include weapons turned in for disposal. See paragraphs C18.2.6 and C18.2.7, above.)

C18.4.2. Classified Activities. Classified activities, which determine that specific **SA/LW** should not be registered under these procedures, shall request guidance through appropriate channels from the DoD Component.

C18.4.3. Deviations. Deviations from these requirements by DoD activities with small static inventories require concurrence of the Joint Small Arms/**Light Weapons** Coordinating Group (JSA/LWCG) and approval of the **JSA/LWCG Chair**. Submit requests for deviations, to include appropriate justification, **via electronic mail to DLMSO@dla.mil (when using electronic mail include "ATTN: JSA/LWCG Chair" in the subject line), or by traditional mail to:**

ATTN DLMSO J-6251 ROOM 1747
DEFENSE LOGISTICS AGENCY J6
JSA/LWCG CHAIR
8725 JOHN J KINGMAN ROAD STOP 6205
FORT BELVOIR, VA 22060-6217.

C18.5. DELINEATION OF RESPONSIBILITIES

C18.5.1. DoD Registry. The DoD Registry shall:

C18.5.1.1. Be operated and maintained by the Department of the Army.

C18.5.1.2. Provide a central repository of **SA/LW** serial numbers from the Component Registries, to include those on-hand, in-transit, lost, stolen, demilitarized, or shipped outside the control of the Department of Defense.

C18.5.1.3. Provide law enforcement agencies, within 72 hours, the identification of the last known accountable activity (to include telephone number) having a specific serial

numbered **weapon** (see paragraph C18.7.6, below). Respond as expeditiously as possible to other inquiries, depending on volume and existing workload.

C18.5.1.4. Enter all inquiries from law enforcement agencies and inquiries from appropriate military and civilian activities for weapons located in foreign countries on the DoD Registry file when no record exists on the active or inactive file. This **shall** be accomplished by using DS 140A **SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function)** with **SA/LW** Transaction Code I (Interrogation/Inquiry Record) and entering the message/inquiry form number in the **transaction number** (document number) field for cross-reference purposes.

C18.5.1.4.1. For weapons identified as belonging to a DoD Component, these entries shall remain in the DoD active master file until the weapon is returned to DoD control and properly recorded on a Component Registry.

C18.5.1.4.2. Weapons identified as other than DoD in origin shall be placed in the inactive file of the DoD registry.

C18.5.1.5. Identify duplicate serial numbers received from the Component Registries, as a minimum, on a quarterly basis. The appropriate DoD Component shall be contacted to verify duplicates and the DoD Registry will issue selected suffixes to modify affected serial number(s) for all but one of the duplicate numbers. Weapons with duplicate serial numbers located in the wholesale system shall be modified first, to the extent possible, in order to maintain an audit trail for all modification actions:

C18.5.1.5.1. Provide appropriate corrective instructions to the Component Registries reporting duplicate serial numbers.

C18.5.1.5.2. Establish a complete historical cross-reference record (mechanical or hard copy).

C18.5.2. Component Registries. Component Registries shall:

C18.5.2.1. Maintain and control a mechanized active, and inactive, history file to control **SA/LW** serial numbers for which they maintain or had maintained accountability.

C18.5.2.2. Update files based on transaction reporting; e.g., receipts, issues, turn-ins, and inter-DoD Component transfers. Perpetuate suffix codes from all receipt/issue/adjustment transactions when updating files.

C18.5.2.3. **Use standard data elements and standard transactions (identified in paragraph C18.1.2)**, to interface between the Component Registries for reporting changes affecting the **SA/LW** status in the master file of the Component Registries.

C18.5.2.4. Provide monthly electronic file overlays to the DoD Registry reflecting active and inactive files in serial number sequence.

C18.5.2.5. Identify duplicate serial numbers recorded on file and request altering instructions from the DoD Registry for all but one of the duplicate numbers. Suspend movement of these weapons pending verification of the record and/or receipt of instructions for modification of the serial number on the weapon.

C18.5.2.6. Provide available data upon receipt of an inquiry from a law enforcement agency **within 72 hours**, and initiate action as deemed appropriate.

C18.5.2.7. Perform an annual records verification utilizing the registry files to obtain records compatibility with depot files and ICP files by stock number and quantity.

C18.5.2.8. Report weapons lost, damaged, or destroyed in accordance with DoD 7000.14-R, Volume 12, Chapter 7. **SA/LW** Transaction Code Q (Notification of Suspected Loss) is applicable for reporting potential lost or stolen **SA/LW**, pending full investigation and preparation of a Financial Liability Investigation of Property Loss Report ([DD Form 200](#)). **SA/LW** Transaction Code U (Found or Recovered) is applicable for reporting if the missing weapon is found or recovered. Use the **SA/LW Control Reporting Transaction for updating the registries**.

C18.5.2.9. Identify on the Component Registry, **using the SA/LW Control Reporting Transaction** with **SA/LW** Transaction Code L (Inventory Adjustment - Loss), weapons determined to be lost or stolen after all investigative requirements have been initiated, including preparation of a Financial Liability Investigation of Property Lost Report. (Note: The DoD Components are required to submit semiannual reports to the chairperson, Physical Security Review Board, in accordance with DoD 5100.76-M, for all **SA/LW** where theft, loss, and recovery occur.)

C18.5.2.10. Perform an annual **SA/LW** reconciliation with all activities recorded on the registry as having possession and/or accountability of reported **SA/LW** by serial number, stock number, and quantity. The method of performing the reconciliation shall depend on the DoD Components' capability of using Defense Data Network transaction sets or listings. When listings are used to perform the annual reconciliation, they shall be identified by the appropriate transaction set either as header information or shown with each line entry (see paragraph C18.7.8, below).

C18.5.2.11. Report all new weapons or devices that could be construed as **SA/LW** to the **JSA/LWCG** chairperson. The chairperson shall identify the reportability and notify the DoD Component. Weapons or devices for which no determination can be made will be discussed by the full **JSA/LWCG**.

C18.5.3. **JSA/LWCG**. **JSA/LWCG** responsibilities are as set forth in DoD 4140.1-R.

C18.6. SAFEGUARDING AND PHYSICAL SECURITY OF AUTOMATIC DATA PROCESSING RECORDED DATA

C18.6.1. The **SA/LW** data contained in the ADP records of the DoD Registry could produce classified data if the total number of serial numbers by weapon type were

summarized. Consideration must be given to security of the **SA/LW** records due to their sensitive nature. Security of ADP records shall be in accordance with DoD 5200.1-R.

C18.6.2. A determination to classify shall be made when there is sound reason to believe that knowledge of the information would provide un-friendlies an insight into the war potential, war defense plans, or posture of the United States and could reasonably be expected to cause a degree of harm to the national security.

C18.6.3. The operation of this program does not relieve units/activities from the requirements for physical security of weapons in accordance with DoD Component regulations.

C18.7. OPERATING PROCEDURES

C18.7.1. The Component Registries shall provide for electronic file transfer of their active and inactive files, in serial number sequence, to arrive at the DoD Registry not later than the 10th of each month. The format shall be in accordance with the DS 140A **SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function)**. The DoD Registry shall verify record counts as indicated on the files.

C18.7.2. The DoD Registry shall combine the DoD Components' electronic files into a single file, in serial number sequence, not later than the 15th day of each month. The DoD Registry shall identify duplicate serial numbers, as a minimum quarterly, in accordance with subparagraph C18.5.1.5, above.

C18.7.2.1. If duplicate serial numbers appear during the next check, and are owned by a single DoD Component, the Component Registry shall be notified to validate the serial numbers. If duplicate serial numbers remain after this validation, the Component Registry shall request altering instructions from the DoD Registry to modify affected serial number(s). The DoD Registry shall issue modified serial numbers (using selected alpha suffixes) and maintain a complete historical cross-reference record.

C18.7.2.2. If duplicate serial numbers appear during the next check, and are owned by more than one DoD Component, the DoD Registry shall notify each Component Registry to validate its serial numbers. If duplicates remain after this validation process, the DoD Registry shall issue modified serial numbers to one of the Component Registries (using selected alpha suffixes) and maintain a complete historical cross-reference record.

C18.7.3. Recovered Weapons. Weapons recovered by law enforcement agencies or foreign countries and returned to the custody of a DoD Component shall be registered on the Component Registry using the **SA/LW Control Reporting Transaction** with **SA/LW** Transaction Code U (Found or Recovered).

C18.7.4. Inter-DoD Component Transfers. The **SA/LW Control Reporting Transaction** is used to report inter-DoD Component transfers between the Component Registries. The requirements for reporting shipments shall be as follows:

C18.7.4.1. Shipments Between DoD Components:

C18.7.4.1.1. Shipping Registry. When weapons are selected for shipment by the shipping activity, **SA/LW Control Reporting Transaction with SA/LW Transaction Code S** (Shipment) shall be sent to the shipping Component Registry. The shipping Component Registry enters the **SA/LW** data in the active file to indicate the in-transit shipment. The shipping Component Registry then sends the transaction to the destination Component Registry for all inter-DoD Component shipments.

C18.7.4.1.2. Receiving Registry. The receiving Component Registry enters the **SA/LW** data into the active file to open the record. This record is maintained until confirmation of receipt of the weapon is provided by the receiving activity.

C18.7.4.1.2.1. Receiving Activity Actions. The receiving activity verifies the serial number(s) and sends **SA/LW Control Reporting Transaction with SA/LW Transaction Code R** (Receipt) to their Component Registry. The receiving Component Registry matches the **SA/LW** data against the in-transit record. A match constitutes a reconciliation and completes the record.

C18.7.4.1.2.2. Discrepant Serial Numbers. Discrepant serial number(s) shall be verified by electronic mail, telephone or letter and corrective action taken as required.

C18.7.4.1.2.3. Receiving Registry. The receiving Component Registry provides **SA/LW Control Reporting Transaction with SA/LW Transaction Code R** to the shipping Component Registry.

C18.7.4.1.3. Maintenance Reporting. Weapons shipments from one DoD Component to another for maintenance purposes shall also be reported to appropriate Component Registries. This requirement shall be included in any maintenance support agreement.

C18.7.4.1.4. Shipping Timeframe. If 30 calendar days from date of shipment for CONUS and 90 calendar days for overseas is exceeded, the shipping Component Registry shall initiate coordination to determine the status of the outstanding **SA/LW Control Reporting Transactions** with **SA/LW Transaction Code S** (see paragraph C18.8.2). (For receiving Component Registry procedures, see paragraph C18.8.3.) A monthly overage shipment listing shall also be sent to the receiving Component Registry.

C18.7.4.2. Shipments from Procurement. When weapons are shipped from a contractor to activities within the Department of Defense, the contractor is required to prepare three **SA/LW Control Reporting Transactions**. **SA/LW Transaction Code P** (Procurement Gains) shall be in the one transaction sent to the shipping Component Registry giving notification of shipment. The data are entered in the shipping Component Registry to open the record. This record shall be held in suspense until confirmation of receipt of the weapon is provided by the receiving activity. The receiving activity shall submit an **SA/LW Control Reporting Transaction** to update its Component Registry. The

two remaining control reporting transactions shall have the RI Code of the shipping Component Registry to which the confirmation of receipt shall be provided. The **SA/LW Control Reporting Transaction** shall accompany the shipment documentation. When shipments consist of multiple containers, a listing shall identify which serial numbers are within each of the containers.

C18.7.4.3. Shipments Outside the Control of the Department of Defense. When **SA/LW** are selected for shipment to Foreign Military Sales (FMS)/Grant Aid and other Agencies outside the control of the Department of Defense, or when a DoD agency assumes title and accountability for U.S. weapons purchased or produced under a DoD contract then shipped directly to Security Assistance or other customers outside DoD, the **SA/LW** Control Reporting Transactions for the weapons shall be provided to the shipping Component Registry giving notification of shipment. The shipping Component Registry codes each weapon in the shipment using **SA/LW** Transaction Code N (Shipment to Other Agencies) or code F (Shipment to FMS/Grant Aid) depending on type of shipment. The shipping Component Registry then enters the **SA/LW** shipment data into the inactive file. Weapons returned to the DoD supply system from previous shipments to FMS/Grant Aid and other agencies outside the control of the Department of Defense shall be registered by the receiving activity on its Component Registry.

C18.7.5. Demilitarization. When **SA/LW** are selected for destruction at the demilitarization activity, **the demilitarization activity sends SA/LW Control Reporting Transaction** with **SA/LW** Transaction Code V (Demilitarization) to the Component Registry once the demilitarization has been completed. The Component Registry shall code each of the weapons demilitarized and enter the **SA/LW** demilitarization data into the inactive file.

C18.7.6. DoD SA/LW Serialization Program. The **DoD SA/LW Serialization Program** is designed to provide investigative agencies, within 72 hours, the identification of the last accountable activity having a specific serial-numbered **SA/LW**. Investigative agencies will process all inquiries by electronic mail, message, letter, or telephone to the DoD Registry. The DoD Registry shall identify the accountable Component Registry from the data contained in its master record and query that registry as to the last activity accountable for the specific serial numbered weapon. Once the Component Registry identifies the last accountable activity, response is provided to the investigative agency through the DoD Registry.

C18.7.7. Invalid or Erroneous DS 140A Transactions. The Component Registry shall reject invalid or erroneous DS 140A **SA/LW** transactions to the originator using the DS 140A **SA/LW Reject Transaction (MILSTRAP DI Code DSR function)**. (See paragraph C18.7.10 for rejecting DS 888A **SA/LW** Data Change Transaction with **SA/LW** Transaction Code K (Multi-Field Correction).) The rejecting Component Registry shall cite the appropriate **SA/LW** Error Transaction Reject Codes in the **SA/LW Reject Transaction**. **The code explanations identify corrective action required. In a DLMS environment, the SA/LW Reject Transaction may contain more than one SA/LW error transaction reject code, and activities shall ensure that all error conditions are corrected prior to resubmission. Under the constraints of the 80 record position DLSS (MILSTRAP) environment, the**

reject advice code identifies only one error condition in the transaction, and activities shall review all other fields of the rejected transactions, prior to resubmission, to ensure that all date entries are correct.

C18.7.7.1. Correction of Rejected Transactions. The Component Registry shall hold rejected transactions in a suspense file until corrective action has been received from the DoD Component. ***DS 140A SA/LW Correction Transaction (MILSTRAP DI Code DSC function)*** with the appropriate ***SA/LW*** error transaction reject code, shall be used to respond to rejected transactions.

C18.7.7.2. Follow-Up. If no corrective action is received by the Component Registry within 14 calendar days, the Component Registry shall send a DS 140A ***SA/LW Reconciliation/Reject Follow-up Transaction (MILSTRAP DI Code DSF function)*** to the DoD Component.

C18.7.8. Annual Reconciliation. The annual reconciliation of all ***SA/LW*** on the Component Registry shall be done using DS 140A ***SA/LW Reconciliation Transaction (MILSTRAP DI Code DSR function)*** with ***SA/LW*** Transaction Code E (Intra-DoD Component Reconciliation of ***SA/LW*** serial numbers, and inter-DoD Component reconciliation when reconciling with DLA Defense Distribution Depots.) This is a bottoms-up records reconciliation, i.e., matching records from the activity having physical custody and/or accountability of the weapon to the Component Registry records. Matching records shall be considered reconciled. Duplicate ***SA/LW*** serial numbers detected during the reconciliation shall require modification instructions from the DoD Registry. Component Registries that perform the annual reconciliation using other than transaction reporting shall ensure that listings contain ***SA/LW Reconciliation Transaction*** in the heading. ***SA/LW*** Transaction Code E need not be identified on the listing or posted to the Component Registry.

C18.7.8.1. Registry Rejects. Records not matched, or weapons for which no reconciliation was received by the Component Registry, shall result in a ***SA/LW Reject Transaction*** with the appropriate ***SA/LW*** error transaction reject code(s), to the DoD Component.

C18.7.8.2. ***Follow up for Response to Reject***. If corrective transactions and/or notification of a problem is not received from the DoD Component within 60 calendar days, the Component Registry shall follow up using DS 140A ***SA/LW Reconciliation/Reject Follow-up Transaction (MILSTRAP DI Code DSF function)***.

C18.7.9. Mass Stock Number/DoDAAC Changes. Accomplish mass stock number changes and mass DoDAAC/UIC changes using DS 888A ***SA/LW Data Change Transaction*** with ***SA/LW*** Transaction Code H (Mass Stock Number Change) ***(MILSTRAP DI Code DSB function)*** or ***SA/LW*** Transaction Code M (Mass DoDAAC/UIC Change) ***(MILSTRAP DI Code to be determined)***.

C18.7.10. Multi-field Corrections. Reporting activities shall use DS 888A, ***SA/LW Data Change Transaction*** with ***SA/LW*** Transaction Code K (Multi-Field Correction) ***(MILSTRAP DI***

Code DSA function), to change erroneous information on the Component Registry active/inactive file. The Component Registry shall reject any **SA/LW Data Change Transactions** (with **SA/LW Transaction Code K**), that do not match the file or contain invalid data.

C18.7.10.1. Preparation of **SA/LW Data Change Transaction**. Reporting activities shall prepare **SA/LW Data Change Transaction** with **SA/LW Transaction Code K** when the Component Registry contains erroneous information. Changes can be made to the NSN/MCN/LCN/DoDAAC/UIC of the accountable activity and serial number.

C18.7.10.2. Rejection of **SA/LW Data Change Transactions**. **SA/LW Data Change Transactions** (with **SA/LW Transaction Code K**) received by the Component Registry that do not match the NSN/MCN/LCN, reporting activity DoDAAC/UIC, or serial number contained on the active/inactive file shall be rejected to the reporting activity **using DS 888A as a reject transaction**. The rejected **SA/LW Data Change Transaction** (with **SA/LW Transaction Code K**) shall contain the appropriate **SA/LW error transaction reject code**. Rejected transactions shall be suspended in the Component Registry pending receipt of a corrected **SA/LW Data Change Transaction** (with **SA/LW Transaction Code K**). Under DLMS, more than one **SA/LW error transaction reject code** may be shown in the rejected **SA/LW Data Change Transaction** (with **SA/LW Transaction Code K**), and the reporting activity must review all invalid data before resubmitting the corrected transaction. **In a DLSS (MILSTRAP) environment, only one SA/LW error transaction reject code can be identified in the rejected transaction (MILSTRAP DI Code DSA), and the reporting activity must review all entries for additional invalid data before submitting the corrected transaction.**

C18.7.10.3. **SA/LW Transaction Code K Conversion**. The Component Registries shall not include **SA/LW Data Change Transactions** (with **SA/LW Transaction Code K**) on their electronic file transfer overlay records to the DoD Registry. The Component Registry shall convert the DS 888A **SA/LW Data Change Transactions** (with **SA/LW Transaction Code K**) received from the reporting activity to DS 140A **SA/LW Control Reporting Transaction** with **SA/LW Transaction Code K**, **and the old serial number cited, for all changes to the serial number field for the monthly electronic file transfer.**

C18.8. TIME STANDARDS FOR PROCESSING UPDATES AND FOLLOW-UPS FOR SHIPMENTS AND RECEIPTS

C18.8.1. Weapons Visibility. One objective of the **SA/LW** serial number registration and reporting procedures is to provide visibility of actual location of all weapons by the timely update of the Component Registries during the shipment or receipt process. The timeframe for processing DS 140A **SA/LW Control Reporting Transaction (MILSTRAP DI Code DSM function)**, for **SA/LW Transaction Codes R and S**, is 10 calendar days from date of action.

C18.8.1.1. Notification of in-transit Shipment to Shipping Component Registry. Within 10 calendar days of selection for shipment, the shipping activity shall send the **SA/LW Control Reporting Transaction** (with **SA/LW Transaction Code S**) to the shipping

Component Registry to indicate which serial numbers are included in the in-transit shipment. Activities that do not have mechanized capability shall provide the **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code S), or hard copy information, to the shipping Component Registry by the fastest means available, leaving the shipping activity within 10 calendar days of selection for shipment.

C18.8.1.2. Update of Shipping Component Registry. Within 10 calendar days of receipt of the **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code S) from the shipping activity, the shipping Component Registry shall use the transaction to update its files, establish the in-transit record, and send the **SA/LW Control Reporting Transaction** to the receiving Component Registry for all inter-DoD Component shipments.

C18.8.1.3. Receiving Component Registry Verification. Within 10 calendar days of receipt of the weapon(s), the receiving activity shall use the **SA/LW Control Reporting Transaction** data that accompanied the shipment to verify the serial number(s) received and provide the transaction (with **SA/LW** Transaction Code R) to the receiving Component Registry. Activities that do not have mechanized capability shall provide the **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code R) or hard-copy information, to the receiving Component Registry by the fastest means available.

C18.8.1.4. Shipping Component Registry Verification. Within 10 calendar days of receipt of the **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code R) from the receiving activity, the receiving Component Registry shall send **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code R) to the shipping Component Registry to provide notification of receipt of the weapons. The 10-calendar day requirement for notification of shipments/receipts also applies to **SA/LW** shipments from one DoD Component to another for maintenance purposes. This requirement shall be included in any maintenance support agreements between the DoD Components.

C18.8.2. Overage Shipments. The shipping Component Registry shall **send a follow-up** on all weapons in-transit 30 calendar days for CONUS shipments, and 90 calendar days for overseas shipments, from date of shipment, for which no confirmation of receipt (**SA/LW Control Reporting Transaction** with code R) has been received. The shipping Component Registry shall send DS 140A **SA/LW Receipt/Shipment Follow-up Transaction (MILSTRAP DI Code DSD function)** to the receiving Component Registry. Allow 10 calendar days for response to the follow-up transaction.

C18.8.2.1. Weapon Received. If the weapon has been received, the receiving Component Registry shall submit a **SA/LW Control Reporting Transaction** with **SA/LW** Transaction Code R.

C18.8.2.2. Weapon Not Received. If the weapon has not been received, the receiving Component Registry shall submit **SA/LW Control Reporting Transaction** with **SA/LW** Transaction Code A (Weapon Not Received).

C18.8.2.3. No Response Received. If no response is received, an electronic transmission (message) shall be sent to the receiving Component Registry with an information copy to the receiving activity and its higher headquarters.

C18.8.2.4. Negative/No Response Reporting. Negative response or no response to the message shall cause the shipping Component Registry reporting the weapon(s) as missing, lost, or stolen, to their appropriate investigative agency and the DoD Registry (see subparagraphs C18.5.2.8 and C18.5.2.9, above).

C18.8.3. Shipment Follow-Up Procedures. Follow-up procedures shall be initiated by the receiving Component Registry for all weapons received for which no DS 140A **SA/LW Control Reporting Transaction** (with **SA/LW** Transaction Code S) was provided by the shipping Component Registry. The follow up procedure is necessary to confirm that the serial number(s) reported as received matches the serial number(s) selected and shipped. The receiving Component Registry shall take the follow-up action with the shipping Component Registry within 10 calendar days after a weapon(s) has been confirmed as received using the **SA/LW Receipt/Shipment Follow-up Transaction**. Lack of response within 10 calendar days shall cause an electronic transmission (message) being sent to the shipping Component Registry with an information copy to the shipping activity and its higher headquarters.

C18.8.4. Intra-DoD Component Timeframes. The standard timeframes for inter-DoD Component submission of **SA/LW Control Reporting Transaction** with **SA/LW** Transaction Codes R and S, as prescribed above, also apply to intra-DoD Component shipments and receipts

C19. CHAPTER 19

UNIQUE ITEM TRACKING

C19.1. **SCOPE**. The provisions of this chapter apply to the Military Departments including Coast Guard, and Defense Agencies (hereafter referred to as the DoD Components) responsible for Unique Item Tracking (UIT).

C19.2. **EXCLUSIONS**

C19.2.1. Classified activities that determine visibility of specific UIT assets may compromise operational security shall request guidance from their DoD Component. No DoD Component activity shall deviate from these requirements without the concurrence of their DoD Component and the Unique Item Tracking Committee (UITC). Submit requests for deviation, to include appropriate justification, to the **ATTN DLMSO J-6251 ROOM 1747, DEFENSE LOGISITCS AGENCY J6, Chairperson, Unique Item Tracking Committee, 8725 John J. Kingman Road STOP 6205, Fort Belvoir, VA 22060-6217**, by traditional mail, or via electronic mail to: DLMSO@dla.mil (when using electronic mail, include "ATTN: UITC Chair" in the subject line).

C19.2.2. Small arms and light weapons program reporting requirements are outlined Chapter 18.

C19.3. **GENERAL**. This chapter covers procedures for obtaining a UIT Designator Code (UITDC) (see section C19.8), reporting, populating, updating, and reconciling UIT assets in the DoD Component systems related to/impacted by UIT.¹

C19.4. **OBJECTIVES**

C19.4.1. Establish continuous visibility over all UIT assets from their point of entry into the DoD logistics systems through disposal, demilitarization or shipment outside the control of the Department of Defense.

C19.4.2. Reestablish visibility over a UIT item previously shipped outside the control of the Department of Defense when it is reintroduced to DoD control.

¹ All AIS relevant to the unique identification and tracking of item of supply throughout the DoD supply chain. These systems include, but are not limited to, the supply system, financial system, maintenance system, procurement system, the DoD Component repositories.

C19.4.3. Requires use of standard logistics transactions to interface UIT reporting between/among owners/the DoD Components and suppliers. The objective is to populate accountability and, if required, visibility records using standard DLMS logistics transactions. These procedures do not dictate whether DoD Component systems accomplish UIT through an integrated AIS accommodating UIT data or through use of stand-alone UIT data registries.

19.4.4. To provide coverage for all UITC DoD level (inter-DoD Component) UIT programs registered through the DoD UITC in accordance with [DoD 4140.1-R](#).

C19.5. SAFEGUARDING AND PHYSICAL SECURITY OF UIT DATA RECORDS

C19.5.1. Secure AIS records as required by [DoD 5200.1-R](#).

C19.5.2. Safeguarding AIS UIT recorded data doesn't relieve units/activities from the DoD Component requirements for physical, electronic, and procedural security of UII items.

C19.6. VISIBILITY OF UIT ITEMS. Establishing visibility of items comprising a UIT program (hereafter referred to as UIT items or UIT assets) may begin at any point in the supply chain. Customarily, for 'cradle to grave' UIT programs, initial tracking begins at time of shipment from the manufacturer. Alternatively, a UIT program may begin after UIT items are already in the DoD logistics system.

C19.7. RESPONSIBILITIES FOR UIT. The DoD Components shall:

C19.7.1. Maintain AIS necessary to track UIT items for which the owner has or had accountability/visibility.

C19.7.2. Submit existing and proposed DoD-level (inter-DoD Component) UIT programs to the DoD UITC for registration and assignment of a Federal Logistics Information System UITDC. Coordinate candidate UIT programs with the other DoD Components during the nomination process. Appendix 5 provides procedures for nominating and coordinating a UIT program candidate.

C19.7.2.1. Provide the nominating DoD Component the reason(s) when disapproving a UIT candidate for registration.

C19.7.2.2. Request mediation by the UITC when another DoD Component disapproves a UIT candidate program.

C19.7.3. Apply UITDC to National Item Identification Numbers (NIINs). (See section C19.27 for assigned UITDCs.)

C19.7.3.1. UITDCs other than code 'UID'. Ensure the integrated material manager (IMM) applies the UITDC to every NIIN comprising the DoD-level program, for which a UITDC isn't already assigned. The IMM assigns UITDCs to an NIIN based on

direction by the DoD Component UIT central control point. UITDC provides the DoD Components a systematic means to identify that a NIIN is subject to UIT and subject to these procedures.

C19.7.3.2. UITDC 'UID'. UITDC 'UID' was approved for use to identify items which fall under OSD Item Unique Identification (IUID) policy criteria, but which are not part of a DoD UIT program. Assets which have UITDC 'UID' are not required to be tracked in accordance with UIT procedures/requirements. Components must establish the necessary interface between acquisition and supply to ensure that the IMM assigns UITDC 'UID' to NIINs which fall under IUID policy/criteria, but which are not part of a UIT program, and are therefore not subject to these procedures.

C19.8. NATIONAL STOCK NUMBERS (NSNs). If known, an item's NSN, in conjunction with the UII², shall be the preferred means for tracking an item in logistics AIS. If there is no NSN, the owner(s) or an accountable officer shall assign a local control number (LCN) until a valid management control number (MCN) or NSN can be obtained. DLMS provides flexibility to accommodate tracking by NSN and UII, or by NSN and serial number, until such time as IUID policy and use of UIIs is fully implemented. UIT by NSN and serial number is a transitional requirement until the Components fully implement the IUID concept for serially managed assets, and tracking by UII, across the Department of Defense

C19.9. VISIBILITY OF ITEMS. Visibility tracking shall cease when UIT items are shipped outside the control of the Department of Defense, or when demilitarization and/or disposal are confirmed. Historical UIT transactions shall be retained in an inactive file accessible through an automated means.

C19.10. RETENTION OF UIT DOCUMENTATION. Audit capability is required following UIT document processing. Audit capabilities include the establishment and maintenance of transaction history that shall ensure and facilitate successful tracing of UIT assets for the following periods:

C19.10.1. Controlled Inventory Items. A minimum of 10 years for controlled inventory items (identified in [DoD 4100.39-M](#)) and other items that may be designated by the OSD and the DoD Components.

C19.10.2. Non-Controlled Inventory Items. A minimum of 6 years for non-controlled items.³

² The UII is an identifier used to uniquely identify an individual asset used within the DoD. The UII may be a DoD Recognized IUID equivalent [e.g., Vehicle Identification Number (VIN)] or a composite structure defined by the DoD [refer to UII Construct 1 and UII construct 2]. Refer to DoD policy and supporting documentation for specific IUID guidance at <http://www.acq.osd.mil/dpap/pdi/uid/index.html>. Refer to [MIL-STD-130M](#) (or most current version) for specific guidance marking of U.S. Military property.

³ DoD 4140.1-R requires that transaction histories be maintained for a least 2 years. Under the document retention requirements contained in the National Archives Records Administration (NARA) General

C19.10.3. Source Documents. Retain original documents or facsimiles, i.e., (microfilm, microfiche), Compact Disk-Read Only Memory (CD-ROM), etc., for a minimum of 6 years for non-controlled items and a minimum of 10 years for controlled items from date originated. Retain Foreign Military Sales (FMS) source documents and financial records for 10 years from date of closure.

C19.10.4. Transaction History. AIS transaction history files associated with UIT shall include both the information system transaction record and the required source document information that prompted the information system transaction. Transaction history records shall be organized and maintained in a manner that shall ensure that accurate information can be retrieved and collated in a timely and reliable manner for a minimum of 10 years.

C19.11. DUE-IN AND ADVANCE RECEIPT INFORMATION (ARI). Establish due-in records in accordance with due-in procedures in Chapter 12. Upon establishing a due-in, provide ARI transaction (DS 527D) to each intended storage activity in accordance with the ARI procedures in Chapter 12. If UIIs are known at time of DS 527D initiations, they shall be included.

C19.12. ADVANCE SHIPPING NOTICE. When the procuring DoD Component orders UIT items from a production contractor, the procuring DoD Component shall ensure that the applicable clause is included in the contract requiring the vendor to provide UIIs in accordance with DoD UID Defense Acquisition Regulations Supplement (DFARS) clause (see <http://www.acq.osd.mil/dpap/UID> for specific UID DFARS clause information). The contractor shall submit IUID UII information to Wide Area Workflow – Receipt and Acceptance (WAWF-RA) in accordance with the WAWF Implementation Guide for the Federal Implementation Convention (IC) 856, Advance Shipment Notice (ASN); 857, Shipment and Billing Notice; direct on-line input; or using another comparable information exchange method supported by WAWF-RA. The WAWF will disseminate the vendor shipment notice to the procuring activity to satisfy the shipment performance notice requirement for the vendor to provide notification of shipment to the procuring activity using DS 856, including UII(s). In addition, the WAWF-RA will disseminate the

Records Schedule (GRS) (*reference (jj)*), the document retention period for Accountable Officer's Records is 6 years 3 months.

vendor shipment information to the receiving depot or other DLMS compliant receiving system using DS 856 including UII(s).

C19.13. ACCEPTANCE REPORT. When acceptance at origin is applicable, the DS 856 forwarded to the procuring and receiving activity will contain accepted IUID information. When acceptance at destination is applicable, the receiving system may report acceptance, including UII(s), using the DS 861, Acceptance Report, to WAWF. Where electronic interface is not available, the receiver may report acceptance, including UII(s), using direct on-line input to WAWF-RA. WAWF will extract the IUID information for all Government accepted IUID items and forward to the DoD IUID Registry. For additional information/guidance on the IUID registry see the UID website (<http://www.acq.osd.mil/dpap/UID/>).

C19.14. MATERIAL RECEIPT

C19.14.1 Receipt The receiving activity shall notify the owner when UIT items are received. Submit receipt, including UII(s), using DS 527R receipt transaction, in accordance with the receipt procedures in Chapter 13.

C19.14.2 Correction Of Erroneous Receipts. The preferred method for correcting receipt errors for complete or partial receipt reversal (accountable document quantity, UII(s), or both) is to submit a DS 527R reversal in accordance with Chapter 13 receipt procedures to correct the audit trail.

C19.15. UII RECEIPT DISCREPANCIES. When UII(s) received do not match accompanying UII documentation (i.e., quantity and/or UII(s)), the receiving activity shall record the actual quantity and UII(s) received, and notify the shipping activity or ICP/IMM, as applicable, of the discrepancy. The receiving activity shall submit a Supply Discrepancy Report (SDR) showing the appropriate discrepancy code for quantity and IUID discrepancies in accordance with SDR procedures. For shortages or overages in shipments of controlled inventory items, arms, arms parts, ammunitions, and explosives, report within 24 hours of discovery (see SDR response timeframes). Action activities shall reply to all SDRs within 30 calendar days from date of receipt of reports by the action activity when associated with shipments of controlled inventory items. See Chapter 17 for SDR procedures.

C19.16. REINTRODUCTION OF UII ITEM PREVIOUSLY SHIPPED OUTSIDE THE CONTROL OF THE DOD. When a UIT item(s) previously shipped outside the control of the **Department of Defense** (DoD) is reintroduced to DoD control, the receiving activity shall report the receipt, including UII(s), to the owner. The receiving activity shall submit the receipt using DS 527R.

C19.17. MATERIAL REDISTRIBUTION AND RELEASE. The shipping activity shall release the appropriate number and condition code of UII(s) items without regard to the UII(s) selected. Also applies to DRO. There is currently no documented requirement for an owner to direct release of a specific UII(s).

C19.18. CANCELLED MRO/DRO SUPPORTING UII MATERIAL RELEASE.

C19.18.1. The storage activity shall confirm MRO or DRO cancellation to the owner, including UII(s). The storage activity shall confirm MRO or DRO cancellations in accordance with DS 945A (material release cancellation advice or disposal release cancellation advice) in accordance with Chapter 4.

C19.18.2. The owner shall confirm MRO cancellation with Status Code BQ using DS 870S, via DAAS to eligible status recipients. Data are entered in the eligible status recipient's AIS.

C19.19. MATERIAL RELEASE CONFIRMATION (MRC). For all UIT programs, the shipping activity shall confirm material release to the owner and report UII(s) shipped. The storage activity shall submit MRC, including UII(s), using DS 945A, processed in accordance with Chapter 4.

C19.20. CONFIRMATION OF SHIPMENT TO DEMILITARIZATION AND/OR DISPOSAL. The shipping activity shall report to the owner shipment of all UII item(s) to demilitarization and/or disposal. The storage activity shall submit DS 945A including UII(s).

C19.21. SHIPMENT STATUS. For all UIT programs, the shipping activity shall report shipment status, with UII(s) selected for shipment, to the receiving DoD Component. The receiving DoD Component shall enter the data in their AIS to identify UII(s) received are the UII(s) reported shipped.

C19.22. PHYSICAL INVENTORY OF UII ITEMS. Physical inventory of UIT items shall be conducted in accordance with Chapter 6 physical inventory procedures. There is currently no DoD requirement to inventory by UII.

C19.23. DOD STOCK READINESS (SR) PROGRAM. Under the SR program, ***the Department of Defense*** requires uniform care of supplies, including the inspection and reporting of condition and serviceability of material, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of care of supplies in storage (COSIS). For UIT items, the distribution depot will report storage quality issues requiring COSIS work to the material owner via the Storage Quality Control Report, including UII, for approval, in accordance with [DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15](#), "Stock Readiness". ***DS 842SQ and DS 842S/R apply.***

C19.24. SIGHT VERIFICATION UNDER SPECIAL CIRCUMSTANCES. Reserved.
[NOTE: This capability is to be provided on an exception basis by DS 140B. DLMSO will staff a proposal updating DS 140B and addressing this requirement.]

C19.25. DLMS TRANSACTIONS WITH UIT CAPABILITY. The following DLMS transactions have UIT capability. The associated DLMS chapter for processing the transactions is identified in Table C19.T1.:

Table C19.T1. **DLMS Transactions with UIT Capability**

DS #	TITLE	Process IAW (DLMS Volume, Chapter)
140A ⁴	Small Arms Reporting	Vol 2, Chapter 18
140B	RESERVED. No documented business case/requirement (Unique Item Tracking Report)	
180M	Material Returns Reporting	Vol 2, Chapter 11
511M	Requisition Modification	Vol 2, Chapter 4
511R	Requisition	Vol 2, Chapter 4
527D	Due-in/Advance Receipt/Due Verification	Vol 2, Chapter 12
527R	Receipt, Inquiry, Response and MRA	Vol 2, Chapter 13
810L	Logistics Bill	Vol 5, Chapter 2
842A/W	SDR Follow-up, Correction, Cancellation, & Reconsideration Request	Vol 2, Chapter 17
842S/Q	Storage Quality Control Report	Vol 2, Chapter 21
842S/R	Storage Quality Control Report Reply	Vol 2, Chapter 21
846A	Asset Reclassification	Vol 2, Chapter 7
846F	Ammunition Freeze/Unfreeze	Vol 2, Chapter 14
846I	Asset Status Inquiry/Report	Vol 2, Chapter 5
856	Advance Shipment Notice	Vol 2, Chapter 19
856R	Shipment Status Material Returns	Vol 2 Chapter 11
856S	Shipment Status	Vol 2, Chapter 5
861	Acceptance Report	Vol 2, Chapter 19 (WAWF)

⁴ DS 140A is specific to use for Small Arms tracking under the DoDSASP.

867I	Issue	Vol 2, Chapter 14
870M	Material Returns Supply Status	Vol 2, Chapter 11
DS #	TITLE	Process IAW (DLMS Volume, Chapter)
888A ⁵	Small Arms Data Change	Vol 2, Chapter 18
888B	RESERVED. No documented business case/requirement (Unique Item Data Change)	
940R	Material Release	Vol 2, Chapter 4
945A	Material Release Advice	Vol 2, Chapter 4
947I	Inventory Adjustment	Vol 2, Chapter 7

C19.26. DOD-LEVEL UIT PROGRAMS

C19.26.1. DoD Small Arms Serialization Program (DODSASP). See DLMS, Chapter 18, for DODSASP procedures.

C19.26.2. Radiation Testing and Tracking System (RATTS) Program

C19.26.2.1. RATTS is a program established to provide regulatory and statutory compliance with Federal, state, and local regulations for the use of radioactive materials in fielded chemical defense equipment and in industrial applications. It maintains visibility of radioactive source UIIs and wipe test results. It is designed to provide strict control and identification of all radioactive sources to comply with Nuclear Regulatory Commission (NRC) license requirements.

C19.26.2.2. The cell, detector chemical (a component of the M43A1 detector), and the drift tube module (a component of the chemical agent monitor (CAM)) are reportable. In turn, the M43A1 detector and M43 alarm are components of the M8A1 chemical agent alarm. The drift tube module in the CAM is the key component of the end item. Hereafter the cell, detector chemical, and CAM drift tube module are identified as radioactive "sources." The requirements for these reporting standards as set forth in the NRC License 12-00722-13 and 12-00722-14.

C19.26.2.3. NRC licenses require UII control of the radioactive source throughout its life cycle. NRC requires a wipe test on an annual basis for the M43A1 detector radioactive source and CAM radioactive source. In addition, the M43A1 detector

⁵ DS 888A is specific to use for Small Arms tracking under the DoDSASP.

radioactive source and the CAM radioactive source must be wipe-tested within 6 months of transfer to another activity.

C19.26.3. Navy Depot Level Reparable (NDLR) Program. NDLR is the recognized inter-DoD Component UIT program for Navy-managed DLRs.

C19.26.4. Army Maintenance Management System (TAMMS) Equipment Data Base (TEDB).

C19.26.4.1. TEDB identifies major end items for all ground, rail, and some construction equipment and watercraft. The information is maintained on vehicles accepted into the Army inventory and includes their age, location, NSN re-designations, overhaul/rebuild/recapitalization and Operating Tempo (OPTEMPO)/usage data. Information is also provided on OPTEMPO (usage) and vehicle age (miles and years). It is used for procurement planning, budgetary justifications, redistribution of assets, identity of candidates for safety recalls or overhaul; and for one-time logistics reports and summaries to field units. Additionally, units use the data to reconstruct lost or destroyed equipment logbooks, and missing or illegible serial/registration numbers. TEDB is the repository for the Army Vehicle Registration Number Program. The U.S. Army Logistics Support Activity is responsible for recording and maintaining a cross-reference file for all Army vehicle registration numbers on all Army vehicles during their life span. Information from this program meets several management needs such as satisfying state and foreign country registration requirements and assisting law enforcement agencies. The registration number remains unique to a specific item of equipment during its life span.

C19.26.4.2. TEDB benefits the warfighter because it is a single source for selected vehicle information. Organizations requiring vehicle location, OPTEMPO/usage, or age information can obtain this information from the TEDB for units throughout the Active Army and Reserve components regardless of the equipment manager. TEDB contributes to improved budgetary, logistics acquisition, and depot program management at all levels of the Army.

C19.26.5. Aviation Component Tracking Program. The Aviation Component Tracking Program is comprised of a set of procedures and databases designed to ensure unique part identification for flight safety parts and for life managed or special interest items. It provides for control, improved accountability and visibility of U.S. Army Aviation equipment. The Maintenance Consolidated Database contains the life cycle installation/removal/repair data for all life managed and special interest items. The Maintenance Consolidated Database, by maintaining the central repository for historical component data, allows for the recovery of critical data and continued use of parts with missing or erroneous data that would otherwise have to be scrapped.

C19.26.6. Tritium UIT Program. This program identifies all primary and secondary items comprised of tritium throughout the Army, Army Reserve, National Guard, and Marines. This program is necessary to meet a requirement for visibility of where all tritium sources are at all times.

C19.26.7. Controlled Cryptographic Items (CCI) Program. This program was established to meet NSA requirements to maintain visibility of controlled cryptographic end items, standalone CCI, and embedded CCI. CCI shall perform a complete physical inventory at periodic intervals not to exceed 12 months between successive inventories in accordance with NTISSI No. 4001, Controlled Cryptographic Items. This inventory must include all CCI equipment and uninstalled CCI components. This is necessary to guard against preventable losses of un-keyed CCI to an actual or potential adversary.

C19.27. UNIQUE ITEM TRACKING DESIGNATOR CODES (UITDC). The Federal Logistics Information System is the authoritative source for the UITDC. UITDC indicates that an item requires DoD level UIT and identifies a DoD UIT program associated with the UIT requirement. UITDC can also identify items which fall under the DoD IUID criteria but which are not subject to a DoD UIT program. All IUID items subject to a DoD UIT program will be identified by a UITDC other than 'UID'. See section C19.7.3 for application of UITDC. UITDC are as follows:

Table C19.T2. **UIT** Designator Codes

UITDC	EXPLANATION
AAA	DoD Small Arms Serialization Program (DODSASP)
AAB	Security Risk Category I Non-Nuclear missiles and Rockets
AAC	Radiation Testing and Tracking System (RATTS) Program
AAD	Navy Depot Level Repairables (NDLR) Program
AAE	Army Maintenance Management System (TAMMS) Equipment Data Base (TEDB)
AAF	Aviation Component Tracking Program
AAG	Tritium Unique Item Tracking Program
AAH	Controlled Cryptographic Items (CCI)
UID	Assets which meet DoD IUID criteria for marking, but which are not subject to DoD UIT program/tracking requirements. ⁶

⁶ See <http://www.acq.osd.mil/dpap/pdi/uid/index.html> for UID policy and criteria for assigning IUID to material.

C20. CHAPTER 20

MEDICAL UNIT ASSEMBLY PROGRAM

C20.1. **GENERAL**. This chapter provides procedures supporting the DoD Medical Unit Assembly Program. This program is an integral part of the DoD Deployable Medical Systems (DEPMEDS). These procedures cover from issuance of the advance assembly build/release order through the actual building and packing of the assembled component. Included are receipts at the assembly activity DSS assembly depot, etc., from both procurement and non-procurement sources and the reporting of those receipts to the assembly manager (i.e., United States Army Medical Materiel Agency (USAMMA), Defense Supply Center-Philadelphia (DSCP), etc). Receipts under the USAMMA Prime Vendor Program are included.

C20.2. **APPLIABILITY AND SCOPE**. These procedures apply primarily to DLA and USAMMA, who issue/process transactions in support of the DoD Medical Unit Assembly Program. Other DoD Components who participate in this program or other like programs shall comply with these procedures.

C20.3. **BUILD REQUIREMENT**. The assembly manager shall use DS to 650A Federal IC, Assembly Component Maintenance Structure, to identify to the assembly activity the specific medical assembly to be built. DS 650A may also be used by the assembly manager and assembly activity to enter corrections, provide missing data, or to send history data. This is the initial transaction establishing the requirement and identifies the end-item to be assembled, as initiated by a new requisition, or by changes to a previous one. The transaction provides the build directive number (BDN), unit assembly number, end-item nomenclature, cost estimate, total number of assemblies to be built, number of components in each, and DoDAAC of the ship-to activity by providing the assembly activity sufficient information to start planning the end-item assembly.

C20.4. **DUE-IN ESTABLISHMENT**. The assembly manager shall use DS to Federal IC 527D, Due-in/Advance Receipt/Due Verification, to establish ARI (pre-positioned material receipt) at the assembly activity. DS 527D provides the procurement instrument identification number (i.e., contract number), contract line item number, call order serial number, NSN, part number, BDN, and other information necessary to ensure the assembly activity receipts the item in the correct BDN. DS 527D also provides data to prepare the DS 527R, Receipt, Inquiry, Response, and MRA, upon receipt of the material. Assembly managers and assembly activities shall follow procedures in Chapter 12, Due-in and Advance Receipt Information, to establish advance receipt information and to maintain control of material due-in.

C20.5. **RECEIPT PROCESSING**. The assembly activity shall report receipts (procurement and non-procurement) to the assembly manager using DS 527R. This

notifies the assembly manager that assembly components have been received for a specific build/assembly of the medical end item. Assembly activities shall maintain accountability by processing receipts from new procurements within 7 calendar days and all other receipts within 10 calendar days. Receipts are measured from date turned over by the carrier to the designated receiving activity to date when storage location/proof of storage is posted in the receiving activity's records. Assembly activities shall comply **with Chapter 13 for maintaining** control of receipts and for reporting discrepant/deficient receipts.

C20.6. COMPONENT PACKING CONFIRMATION. The assembly activity shall use DS 650C, Component Packing Confirmation, to notify the assembly manager that packing has been completed at the assembly activity.

C21. CHAPTER 21

STOCK READINESS PROGRAM¹

C21.1 GENERAL. *This chapter provides general information supporting the DoD Stock Readiness (SR) Program. The authoritative source for detailed procedures pertaining to this program is [DLAI 4145.4/AR 740-3/AFJMAN 23-231/NAVSUPINST 4400.100/MCO 4450.15](#), "Stock Readiness". Under the SR Program, the Department of Defense requires uniform care of supplies, including the inspection and reporting of condition and serviceability of material, and the scheduling, controlling, and reporting of packaging and other cost reimbursable actions in support of the stock readiness program. This chapter provides an overview of the DLMS transactions which support the stock readiness program. Initial implementation is internal to DLA and Distribution Standard System (DSS) Distribution Depots (DDs). The DoD Components will phase in usage during modernization. All transactions are processed through DAAS. Capability to support communication with non-DLMS owner/managers and non-DSS storage sites using email and web-based processing is planned.*

C21.1.1. Screening Request/Reply. *The electronic stock screening request is used by material owners/manager to request DSS DDs to perform a screening action based upon specified criteria. The DD provides an electronic response to the request with results of the screening or to report that material matching the screening criteria was not found. DLMS Supplement (DS) to Federal IC 842C, Stock Screening Request/Reply, replaces the manual tracking and communication of screening requests and results where electronic capability is supported. This DLMS enhancement provides the DoD Components with the capability to use an electronic transmission method within their inventory management systems and improve tracking and management of screening actions.*

C21.1.2. Storage Quality Control Report (SQCR)/Reply. *The electronic SQCR is used by the DD to report storage quality issues requiring stock readiness work (e.g. repair, repackaging, testing, etc.) to the owner for approval. DLMS Supplements (DSs) to Federal IC 842S, Storage Quality Control Report, replaces the SQCR, DD Form 1225, for information exchange under the DLMS. This DLMS enhancement provides the DoD Components with the capability to use an electronic transmission method within their inventory management systems and eliminate the exchange of hardcopy documents. This process includes both*

¹ DLMS procedures in this Chapter are effective February 2008.

the DD report and the owner reply. A future enhancement to report DD completion of work is also available in the DLMS format².

C21.2 APPLICABILITY AND SCOPE. *This guidance is applicable to DoD Components owner/managers, the Defense Distribution Center (DDC), and DDs. It applies to classes of supply that are managed by DoD Components and stored at the DDs, except Class V, Class VI, and Bulk Class III.*

C21.3 STOCK SCREENING REQUEST/REPLY OVERVIEW. *The material owner/manager creates a stock screening request to notify distribution activities to screen for potentially quality deficient/defective material. Triggers for stock screening actions include a Product Quality Deficiency Report (PQDR), Supply Discrepancy Report (SDR), the Critical Item Management (CIM) process, or other notification of defect. The material owner/manager will identify material to be screened by NSN or part number/cage, specify the inspection type, and provide detailed instructions for the stock screening criteria (e.g., part numbers, vendor, markings, contract, etc.). Screening instructions may be defined by data elements within screening request or by narrative remarks.*

C21.3.1 *Under DLMS, the stock screening request is prepared using the DS 842CI, Stock Screening Request. The owner/manager will create and transmit a separate transaction for each action and information copy recipient (i.e. 28 transactions prepared for 28 DSS depots). The owner/manager will identify as the action recipient those DSS storage depots known by the owner/manager to have the material in question in storage. An information copy will be reported to all other DSS storage depots. This process will ensure that all applicable material is screened, to include, for example, DLA-managed material that is now owned by the Military Services.*

C21.3.2 *The stock screening request will remain open in the owner/manager application until a reply is received from all the action depots/storage locations indicating that the stock screening has been: completed with no defects found; completed with SQCR created; completed with a “no stock” reply. An interim reply may be provided under exceptional circumstances with comments to explain. When all action activity replies have been received, the request will be closed.*

C21.3.3 *Under DLMS, the stock screening reply is prepared using the DS 842CR, Stock Screening Reply, to close the automated coordination of stock screening actions. DSS depots will send a stock screening reply transaction to the owner/manager for depots identified for action. If no stock is stored at a particular depot, the depot will send a “no stock” reply where designated for action.*

² Refer to ADC 131, DLMS Submission of Electronic DD Form 1225, Storage Quality Control Report.

C21.3.4 If DSS finds stock at the depot, DSS will automatically create an inspection workload using the data from the stock screening transaction. If the inspection type is Critical Safety Item (CSI), DSS will automatically freeze the stock. When the inspection is complete, action depots will send a reply to owner/manager with the results of the stock screening and close the screening request. When material is found matching the screening criteria, the reply will specify the quantity and condition of the material. Depending upon the results of the screening, the reply may indicate that a SQCR will follow.

C21.3.5 No screening reply is prepared by information stock screening request recipients. This is true regardless of the results of the screening. However, if defective material is located at a storage activity receiving only an information copy, a SQCR may be prepared for the material owner following guidance below.

C21.3.6 Detailed Requirements. The owner/manager preparing the stock screening request will assign a suspense date based on the inspection type. The owner/manager will specify screening criteria as appropriate. Only one contract number (optionally including call number and CLIN), vendor, or batch/lot may be specified per request. The material owner/manager may specify up to five part number/cage combinations associated with an NSN, e.g., for CSI inspections. The owner/manager will assign an internal reference number for identification of the stock screening request which may be used to associate the request with the triggering event. This reference number may be systemically assigned and will be perpetuated to the stock screening reply and any resulting SQCRs. A document number is required to ensure a DoD-wide unique control number. Both the stock screening reference number and the document number must be included in all transactions. In addition, when applicable, the Product Quality Deficiency Report (PQDR) Report Control Number (RCN) or the SDR Document Number shall be included to provide a crossreference when the screening action was triggered by a PQDR or SDR.

C21.3.7. Inspection Types. Stock screening requests may be prepared for the following inspection types: Aviation Safety Action Message (ASAM), Safety of Flight (SOF), Special Inspection, Quality Related (PQDR or SDR), Safety of Use (SOU), CSI, other. Inspection type is identified within the screening request and reply by the Type Inspection Code.

C21.3.8. The owner/manager request format performs four functions:

C21.3.8.1. Stock Screen Request for Action. This is the basic request sent to storage locations where material matching screening criteria is known to be held.

C21.3.8.2. Informational Stock Screening. This is sent to storage locations where material matching screening criteria is not known to be held, but which may hold such material owned by other organizations.

C21.3.8.3. Cancellation. This cancels a previously transmitted request.

C21.3.8.4. Additional Comments. This identifies a follow-on separate transmission which provides clarification of the original request.

C21.3.9. The storage location reply format performs five functions:

C21.3.9.1. No Stock Found. Used by action depots to inform the owner/manager that no material matching the screening criteria was located.

C21.3.9.2. Stock Screening Completed. Used by action depots to inform the owner/manager that the stock screening action is complete and provide the results of the screening.

C21.3.9.3. Interim Reply – Comments Provided. This is used by exception when necessary to communicate with the owner/manager prior to completion of the screening action, e.g., to request additional time or clarification of the screening criteria.

C21.3.9.4. Not Processed – Additional Comments Rejected. This is used to provide notification that the additional comments from the owner/manager cannot be processed because the screening action has been completed and closed.

C21.3.9.5. Cancellation. This cancels a previously transmitted reply so that a corrected reply may be provided.

C21.4. SQCR PROCESS OVERVIEW. The SQCR is submitted by distribution activities when changes in the condition of stocks are discovered during stock surveillance inspections/screening, or during distribution processes requiring stock inspection/screening. The SQCR is forwarded to the material owner to obtain disposition instructions, to include approval for reimbursable stock readiness work, e.g. repair, repackaging, testing, etc.

C21.4.1. Triggers for preparation of the SQCR include:

C21.4.1.1. Changes to an unserviceable condition when it is determined that there may be contractor liability for unserviceability under the terms of warranty clauses or unserviceability is due to a latent defect. Material in this condition will be transferred to Condition Code L (suspended litigation) pending negotiation with contractor(s) or receipt of disposition instructions.

C21.4.1.2. Transfers to Condition Codes D (serviceable – test/modification), E (unserviceable – limited restoration), F (unserviceable - repairable), G (unserviceable – incomplete), J (suspended in stock), and L (suspended – litigation).

C21.4.1.3. Changes in condition of dated, limited shelf-life material, medical, or subsistence items.

C21.4.1.4. The item in stock is unidentified or misidentified.

C21.4.2. Under DLMS, the SQCR is prepared by DSS DDs using the DS 842SQ, SQCR. Where DLMS is not supported, the SQCR will be mailed or faxed to the material owner pending implementation of the DLMS or DAAS capability to convert transactions to email.

C21.4.3. Under DLMS, the SQCR response is prepared using the DS 842SR, SQCR Reply. Where DLMS is not supported, the material owner will return the SQCR form annotated with the applicable response information.

C21.4.4. Upon completion of authorized reimbursable stock readiness work, the DD annotates the hard-copy SQCR with the cost of the action and returns it to the material owner. The electronic SQCR DD reply with completion information is not applicable to DLA which has query capability to provide visibility of inventory status. A DLMS enhancement for future implementation will support the distribution activity notification to the material owner that work has been completed³.

C21.4.5. Detailed Requirements. The distribution activity prepares a SQCR for each item, reporting quantity by condition code. SQCRs are forwarded to the appropriate material owner stock readiness (SR) coordinator for response. The SQCR will remain open in at the distribution activity until disposition is received from the material owner. The SR coordinator reviews the item for excess stock position, cost of action in relation to the value of material, etc., and approves or disapproves the stock readiness action request. When disapproving the stock readiness request, the SR coordinator shall concurrently provide disposition instructions for the material. When approving the SR request, the SR coordinator shall reply to DD for action. A disposition/status reply code is available in the DLMS format to communicate the reply to reduce reliance on narrative text and to facilitate automated tracking/trend analysis.

C21.4.6. Inspection Types. A SQCR may be prepared as a result of any of the following inspection types: ASAM, SOF, special inspection, quality related (PQDR or SDR), SOU, CSI, cyclic, outbound shipment, shelf-life inspection, standard stock readiness, or other. The inspection type is identified within the SQCR and reply by the type inspection code.

³ Refer to footnote 1.

C21.4.7. The distribution activity provides material identification by NSN or part number/manufacturer's CAGE. It will also support identification by description if needed. Data content is comparable to the DD 1225. When applicable, the report will include the stock screening request reference number as a cross-reference between the screening request and the resulting SQCR. The SQCR uses a discrepancy code to identify the non-conformance situation. It provides the estimated/actual cost for repair or repackaging. By DLMS enhancement for future implementation, the SQCR/reply allows for item unique identification (IUID).⁴

C21.4.7.1. The DD SQCR format performs four functions:

C21.4.7.1.1. Original Report

C21.4.7.1.2. Correction

C21.4.7.1.3. Cancellation

C21.4.7.1.4. Historical Report. This is used to transmit a record of the SQCR to DAAS under DLMS, when an alternative method of communication was employed. Currently, it is only used when the DSS DD communicates with a DLA legacy ICP.

C21.4.7.2. The SQCR reply format performs three functions:

C21.4.7.2.1. SQCR Reply. This is used by the material owner to provide disposition instructions on requested stock readiness work.

C21.4.7.2.2. Work Completion Notice. This is used to provide completion status to the material owner after approval is given to perform stock readiness work. The DD completion reply is provided in the DLMS format as an enhancement for future implementation with the Military Services.⁵

C21.4.7.2.3. Historical Reply. This is used to transmit a record of the SQCR Reply to DAAS under DLMS, when an alternative method of communication was employed.

C21.4.8. DAAS Query Capability.⁶ By DLMS enhancement for future implementation, when DAAS web-based processing is available for SQCR and Stock Screening Requests, the web will include capability to query to provide historical information by: NSN, part number/CAGE, control numbers, serial

⁴ Refer to footnote 1.

⁵ Refer to footnote 1.

⁶ DAAS query capability not currently available pending full implementation of ADC 240, DLMS Transactions for Stock Screening Request/Reply and Web-Enhanced Stock Screening Requests and SQCRs.

number or batch/lot (associated with NSN/part number), contract number or CAGE, date open, date closed, storage location, owner/manager.

C22. CHAPTER 22
RESERVED

C23. CHAPTER 23

CARCASS TRACKING PROCESS¹

C23.1 GENERAL

C23.1.1. Purpose. The following chapter describes a Navy unique carcass tracking process which is being migrated to the DLMS. This will facilitate modernization and support the addition of item unique identification within the tracking process. This chapter provides a summary overview; refer to NAVSUP Publication 485, Volume 1, Afloat Supply, Section III, paragraphs 8330 through 8339, for specific steps and procedures for Depot Level Repairable (DLR) carcass tracking.

C23.1.2. Applicability. This chapter is applicable to the Navy and participating USMC activities. The DLMS formats are available for adoption by any DoD Component with a similar process.

C23.2. PROCEDURES

C23.2.1. The Navy uses the DLR Carcass Tracking System to enable inventory managers to monitor the flow of Not Ready for Issue (NRFI) repairables from end-users through the Retrograde Pipeline, repair cycle and subsequent return to supply system stock. Activities are required to return a NRFI carcass to the supply system when a DLR item is requisitioned using Advice Codes 5G, 5R, 5S, 5V, 5Y, 52 or 56. When the Inventory Control Point (ICP) receives notice that a DLR was issued, an outstanding carcass file is annotated. Until a transaction item report (TIR) is received indicating the carcass was received, the ICP keeps the file open and continues searching for the asset. Lack of a valid proof of shipment may result in carcass charges back to the requisitioner.

C23.2.2. The Fleet Automated and Tracking System (FACTS) is used by afloat and selected shore activities to facilitate the turn-in of retrograde material and provides visibility from the point of turn-in by the end user through receipt in to the Advance Traceability And Control (ATAC) hub. The FACTS process uses several Navy-unique EDI transactions and Navy unique BK_ transactions.

C23.2.2.1. The three Navy-unique EDI transactions associated with FACTS are the:

C23.2.2.1.1. DS 527R/D6R, Material Due-In and Receipt transaction.

C23.2.2.1.2. DS 856, Ship Notice/Manifest, which replaces the hard copy DD Form 1348-1A as the Proof Of Shipment (POS).

¹ This Chapter is approved for implementation no sooner than September 2008.

C23.2.2.1.3. DS 861, Receiving Advice/Acceptance Certificate, which serves as the receipt at a transshipping point.

C23.2.2.2. To enable the tracking process, the Navy developed a series of transactions referred to as the BK_ series. DS 856C supports communication of each of the BK_ transaction exchanges using a variable-length format allowing for future enhancement. Under DLMS, each BK_ is communicated as a distinct iteration of the detail level of the transaction. Each BK_ becomes a separate 856C. For ease of transition, DS 856C retains the original Navy document identification (e.g., BK1) at the beginning of transaction detail. A brief summary of each BK_ transaction used in this process is provided below.

C23.2.2.2.1. BK1, Follow-Up on Shipment of Non-RFI Carcass. The BK1 transaction is sent by the ICP to the shipping unit when the carcass is not received within the established timeframes.

C23.2.2.2.2. BK2, Response to BK1 Follow-Up. The BK2 is sent as a response to the BK1 and will contain information such as:

C23.2.2.2.2.1. Location where carcass was shipped.

C23.2.2.2.2.2. Response code.

C23.2.2.2.2.3. Turn-in document number if different from the original requisition.

C23.2.2.2.2.4. Date shipped.

C23.2.2.2.3. BK3, Notice of Additional Billing. A BK3 is processed by the NAVICP when a BK2 response is not received from an activity within the allowable timeframe or receives a BK2 indicating no turn-in will be made. The BK3 notifies the activity that the difference between the net and standard price will be billed. A reason code is provided in the BK3 transaction.

C23.2.2.2.4. BK4, Notice of Reduced Billing. The NAVICP uses a BK4 transaction to notify an activity that their account will be credited by the difference between the net and standard price. The BK4 will reverse a billing which resulted from a lack of, or invalid response to a carcass follow-up. This reversal will occur only when the customer responds or turns in a carcass after the date that a BK2 response was due and only when the late response/turn-in is accepted.

C23.2.2.2.5. BAK, Accepted Follow-Up Response (for BK2). The BAK is the follow-up response indicating that a BK2 was accepted.

C23.2.2.2.6. BKD, Accepted Follow-Up Response (for DS 527R/D6R). The BKD is used to indicate that the Navy-unique DS527R/D6R was processed by the ICP.

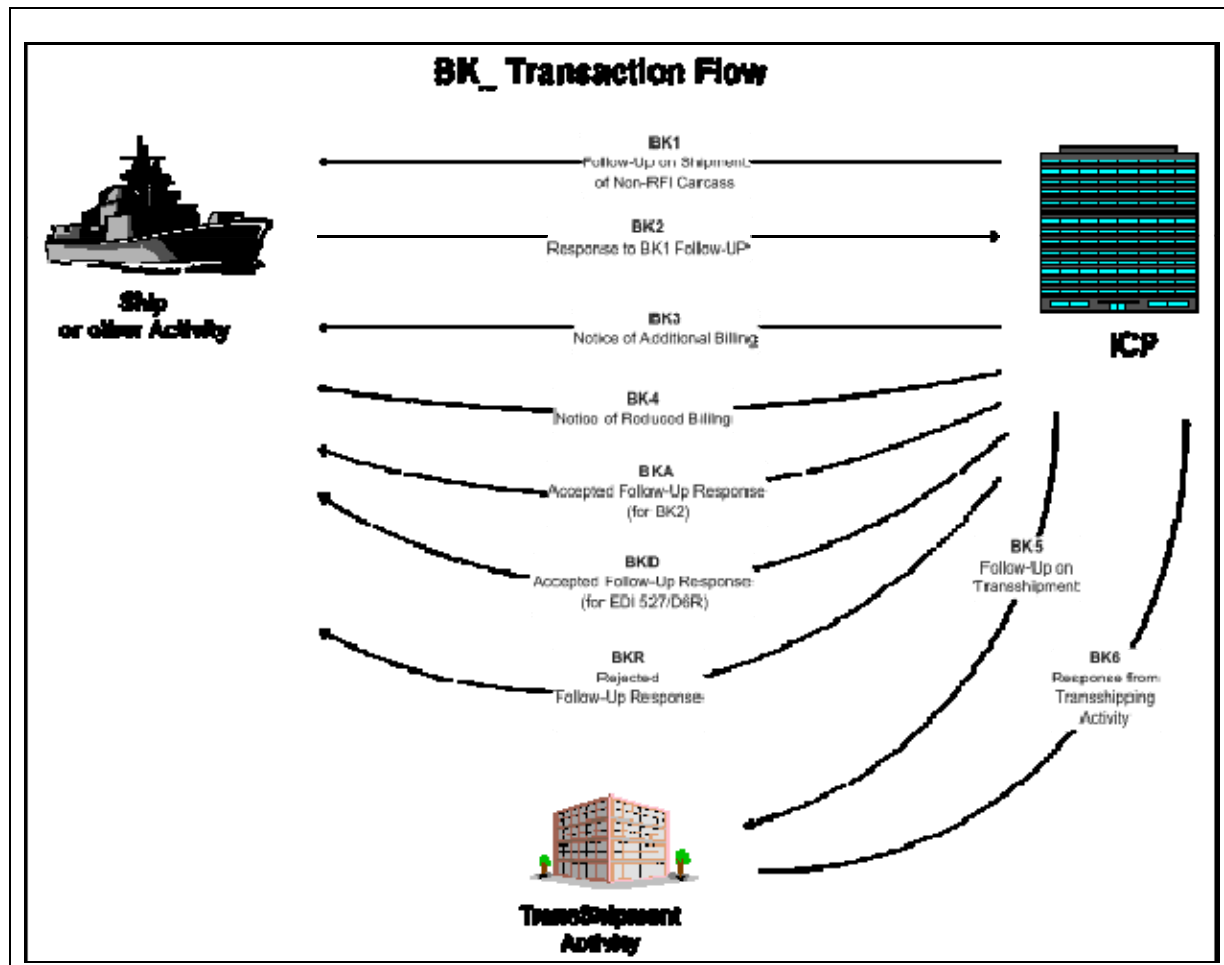
C23.2.2.2.7. BKR, Rejected Follow-Up Response. The BKR transaction is sent by the NAVICP to the submitting activity indicating that the BK2 response is rejected. A reason code is provided.

C23.2.2.2.8. BK5, Follow-Up on Transshipment. When the NAVICP receives notification of a turn-in being shipped to the ATAC, a BK5 follow-up will be sent to the ATAC after 30 calendar days.

C23.2.2.2.9. BK6, Response from Transshipping Activity. The BK6 transaction serves as the response to the BK5. A BK6 from the ATAC with a negative response or no response will result in the asset becoming a loss.

C23.2.2.3. BK Transaction Flow. The following figure depicts a high level view of the BK_ transaction process flow. Each BK_ is a separate transmission of the DS 856C.

Figure C23.F1. BK Transaction Process Flow



C24. CHAPTER 24

PASSIVE RADIO FREQUENCY IDENTIFICATION (RFID)

TRANSACTIONS

C24.1 **GENERAL**. This chapter provides **procedures for reader registration and visibility processing** supporting the Department of Defense (DoD) RFID implementation. The Department of Defense requires integration of passive RFID (pRFID) technology in the DoD Supply chain. Visibility is a critical component of this **requirement**. The Defense Logistics Management System (DLMS) includes the establishment of data requirements that support **shipment visibility across the DoD supply chain**. The detailed procedures pertaining to this **requirement** are provided in this chapter. **DoD policy** regarding this passive RFID implementation **is located** on the DoD AIT website (URL): <http://www.transcom.mil/ait/>.

C24.2. **APPLICABILITY AND SCOPE**. This guidance is applicable to **DoD passive** implementations. The scope **includes** systems **that send, receive, and/or** collect supply and transportation data **and the** business processes used to generate that data, technologies to collect new data, software to integrate the data, and tools to visualize the information.

C24.3. PROCESS OVERVIEW.

C24.3.1. Participating activities **shall** register pRFID Readers, **per the guidance in paragraph C24.4.**, for the purpose of identifying the location of the Reader.

C24.3.2. Once registered, scanned tag reads **shall** will be reported **either by a DoD system or middleware** to the Defense **Automatic** Addressing System (DAAS) using the Visibility Transaction which provides both the pRFID **tag** and Reader identification. The purpose of this **process** is to associate the tag identification and location with previously transmitted logistics transactions containing pRFID, e.g., DLMS Supplement (DS) 856S, Shipment Status, and Federal **Defense Transportation Electronic Business (DTEB)** Implementation Convention (IC) 856A, Receipt/Shipment, Consolidation/Due-in Notice, **and any others defined in the future**.

C24.3.3. If the middleware fails to associate the tag with a previously transmitted **logistics transaction** DS 856S and Federal **or DTEB** IC 856A, the activity **will** may ask for a follow-up Federal IC 856A and DS 856S by sending **by sending** a Visibility Transaction to DAAS with Action **Reader Function** Code **of F (Follow-Up)**, and **DAAS shall transmit a Visibility Response transaction containing the data elements defined in C24.9.**

C24.3.4. There are three transactions¹ to support this process; one is used for sending Reader Registration data, a second for sending Visibility data, and a third for DAASC to respond to inquiries for unmatched tag reads. The transaction details are covered in the following paragraphs.

C24.4. READER REGISTRATION PROCESS

C24.4.1. The Reader registration **transaction** is applicable to handheld or fixed pRFID devices for the purpose of identification of its location and role in the supply chain. The term “READER” refers to a specific Reader, group of Readers, or all Readers at a site, depending on how a specific site chose to register its Readers.

C24.4.2. The registering site **shall** provide to DAAS the location registration data, **defined in Table C24.T.1.**, via the site’s middleware application (Savi Site Manager, Globe Ranger, etc.) or via the worldwide web (to be determined). DAAS **shall** establish that Reader in a location table **and assign a location control number**. The location control number must be used on every subsequent transaction sent to DAAS from the field.

C24.4.3. After a Reader is successfully registered; sites **are responsible for updating** point of contact (POC) information **and deleting** the Reader **when no longer needed**. POC information is for restricted use and will not be displayed in routine queries. Only registered Readers can be updated or deleted. A previous deleted Reader cannot be re-registered with the same location control number nor can it be updated.

C24.4.4. Any time a Reader or group of Readers is **updated**, moved, or retired, the site **shall** send the update **transaction** to DAAS using the same location registration transaction with a delete in the action taken field. If the Reader or group of Readers is just being **updated** or moved and will be used at a different location, the Reader or group of Readers, after deletion, shall be registered again and receive a new location registration number.

C24.4.5. Registration actions which are not successfully processed by DAAS **shall** be rejected **and a response sent** with the applicable reader registration action code.

C24.5. READER REGISTRATION DATA REQUIREMENTS. Passive RFID reader registration **shall** encompass the data requirements identified in Table C24.T1.

¹ **The schema files (XSD) can be viewed at:** <http://www.dla.mil/j-6/dlms0/elibrary/TransFormats/formats.asp>.

Table C24.T1. Passive RFID Reader Registration **Data** Requirements

Element	Description	Man/ Opt/ Con ²	Mini- mum Lgth	Maxi- mum Lgth	Values
RFID Location Control Number	DAAS-assigned upon initial registration; required in update and delete; blank in the establish option	C	16	16	<u>From site to DAAS:</u> - Blank for initial registration requests <u>From DAAS to site:</u> - LCN
Reader Registration Action	Describes purpose of registration; action or DAAS response to the registration action	M	2	2	<u>From Site to DAAS:</u> E-establish reader U-update reader info D-delete reader <u>From DAAS to Site:</u> CE-establish reader confirmed CU-update reader confirmed CD-delete reader confirmed NE-establish reader not accepted NU-update reader not accepted ND-delete reader not accepted
Reader Type	Location's reader is fixed or mobile	M	1	1	F = Fixed M= Mobile
Reader ID Number	Number assigned to this reader or group of readers by the site	M	10	10	
Location	DoDAAC, CAGE, Water Port or Aerial Port code for this location	M	5	6	
Location Text	Further description of this location	O	1	50	Free form text; Possible entries would be Area xxx, Bldg. xxx, Post xxx, Door xxx, Floor xxx
Type of Location	Code to identify type of location	M	1	1	D = DoDAAC V = Cage Code A = Aerial Port W = Water Port
Effective Date/Time	Date/Time reported action took place	M	12	12	ZULU CCYYMMDDHHmm (example: 200612051459)
Latitude	Latitude of this location	M	4	9	CRIF ³ or degrees, minutes, seconds, and direction

² "Man" means "Mandatory;" "Opt" means "Optional;" and "Con" means "Conditional."

Element	Description	Man/ Opt/ Con	Mini- mum Lgth	Maxi- mum Lgth	Values
Longitude	Longitude of this location	M	4	9	CRIF or degrees, minutes, seconds, and direction
POC Name and Other Information	Name and other information of POC at site	M	20	100	
POC Commercial Telephone Number	Commercial telephone number of POC at site	M	10	15	
POC DSN Telephone Number	DSN telephone number of POC at site	M	7	7	
POC E-Mail Address	Email address of POC at site	M	10	50	

C24.6. VISIBILITY TRANSACTION PROCESS.

C24.6.1. When a shipment with pRFID arrives, departs or is observed at a registered Reader location, the Reader **shall communicate with the middleware, which shall** send the Visibility Transaction to DAAS **with a Reader Function Code of A (Arrived), D (Departed), or O (Observed)**. If the Reader has an assigned role (e.g., receiving or shipping) the transaction will report that action (e.g. arrived or **departed**) using the appropriate action codes. If the device cannot determine arrival or departure, the action code for **O**bserved **shall** be used.

C24.6.2. *At those sites electing to provide pRFID support for local deliveries, use the new Reader Function Codes in Table C24.T2. For local delivery with pRFID, the reader shall either record a delivery event or an undelivered (e.g., attempted delivery) event. Delivered is defined as the customer accepting the material from the shipping entity. Undelivered is defined as during normal operating hours and at no fault of the shipping entity, a shipment is not able to be delivered. When a local delivery with pRFID is delivered or undelivered using a mobile handheld Reader, the Reader information shall be uploaded to the middleware at the home base, which shall send the Visibility transaction to DAAS with a Reader Function Code of X (Delivered) or U (Undelivered/Attempted Delivery).*

C24.6.3. *If the middleware fails to associate the tag with a previously transmitted logistics transaction, the activity will ask for a follow-up by sending a Visibility Transaction to DAAS with a Reader Function Code of F (Follow-Up).*

C24.6.4. Valid Visibility Transactions **will** be accepted and stored in DAAS. Visibility Transactions from non-registered readers or with an invalid location control

³ Enter "CRIF" for undisclosed locations.

numer **shall** be returned to the sender with an 'N' in the sending location action indicating the transaction had an error and was not recorded at DAASC.

C24.7. VISIBILITY TRANSACTION DATA REQUIREMENTS. Passive RFID Visibility Transactions **shall** contain the data requirements identified in Table C24.T2.

Table C24.T2. Passive RFID Visibility Transaction Data Requirements

Element	Description	Man/ Opt/ Con	Mini- mum Lgth	Maxi- mum Lgth	Values
Passive RFID Tag	Tag ID Value	M	24	50	Expressed in hexadecimal
RFID Location Control No.	DAASC assigned during the registration process	M	16	16	
Reader Function Code	Describes process associated with this Reader	M	1	1	From site to DAAS: A – Arrived D – Departed O – Observed F – Follow-up X – Delivered U – Undelivered/ Attempted Delivery
Tag Read Date/Time	Date/Time reported action took place	M	12	12	ZULU CCYYMMDDHHmm (example: 200612051459)

C24.8. VISIBILITY RESPONSE TRANSACTION PROCESS

C24.8.1. If the middleware fails to associate the tag with a previously transmitted DS 856S or DTEB IC 856A, the activity will send a Visibility Transaction to DAAS with a Reader Function Code of F (Follow-Up).

C24.8.2. *If the requested information is found, DAAS shall transmit a Visibility Response transaction containing the data elements defined in paragraph C24.9.*

C24.8.3. *If DAAS does not have the information, DAAS shall transmit to the sender a Visibility Response Transaction with an 'N' in the Reader Function Code field indicating the corresponding DS 856S or DTEB 856A transaction was not recorded at DAASC.*

C24.9. VISIBILITY RESPONSE TRANSACTION DATA REQUIREMENTS. *Passive RFID Visibility Response Transactions shall contain the data requirements identified in Table C24.T3.*

Table C24.T3. Passive RFID Visibility Response Transaction Data Requirements

<i>Element</i>	<i>Description</i>	<i>Man/ Opt/ Con</i>	<i>Mini- mum Lgth</i>	<i>Maxi- mum Lgth</i>	<i>Values</i>
<i>RFID Location Control No.</i>	<i>DAAS assigned during the registration process</i>	<i>M</i>	<i>16</i>	<i>16</i>	
<i>Tag Read Date Time</i>	<i>Date/Time reported action took place</i>	<i>M</i>	<i>12</i>	<i>12</i>	<i>ZULU CCYYMMDDHHmm (example: 200612051459)</i>
<i>Reader Function Code</i>	<i>Describes process associated with this Reader</i>	<i>M</i>	<i>1</i>	<i>1</i>	<i><u>From DAAS to Site;</u> F – Follow-up Information N – No Information Found If N, the conditional fields will not be populated.</i>
<i>Passive RFID Tag</i>	<i>Tag Identification Value</i>	<i>M</i>	<i>24</i>	<i>50</i>	<i>Expressed in hexa- decimal</i>
<i>Shipment Notice Type</i>	<i>X12 Transaction Type Code</i>	<i>M</i>	<i>3</i>	<i>4</i>	<i>If F, enter “SHIP” If N, enter “NONE”</i>
<i>Document Number</i>	<i>Requisition Number</i>	<i>C</i>	<i>14</i>	<i>14</i>	
<i>Suffix</i>	<i>Requisition Number suffix</i>	<i>C</i>	<i>1</i>	<i>1</i>	<i>Populated only if Document No. has it</i>
<i>Transportation Control Number</i>	<i>TCN from Shipment notice</i>	<i>C</i>	<i>17</i>	<i>17</i>	
<i>Shipment Date</i>	<i>Date/Time from Shipment Notice</i>	<i>C</i>	<i>12</i>	<i>12</i>	<i>ZULU CCYYMMDDHHmm (example: 200612051459)</i>
<i>NSN/Part Number</i>	<i>Stock Number/Part Number cited in Shipment notice</i>	<i>C</i>	<i>13</i>	<i>15</i>	

<i>Ship Quantity</i>	<i>Quantity Shipped cited in Shipment Notice</i>	<i>C</i>	<i>5</i>	<i>9</i>	
----------------------	--	----------	----------	----------	--

C24.10. DATA STORAGE PROCESS.

C24.10.1. DAAS *shall* store both the *Reader Registration* and the pRFID Visibility Transaction, in addition to the already stored R table data.

C24.10.2. All error-free Visibility Transactions arriving at DAAS will be stored upon arrival for approximately 7 months.

C24.10.3. All error-free device registrations *shall* be stored until *a Reader Registration Action value of “D” (Delete Reader) is received by DAAS in a Reader Registration* transaction ‘cancelling’ the device.

C24.10.4. *Figure C24.F1. provided a summary of the general transaction process flow between a passive RFID system and DAASC.*

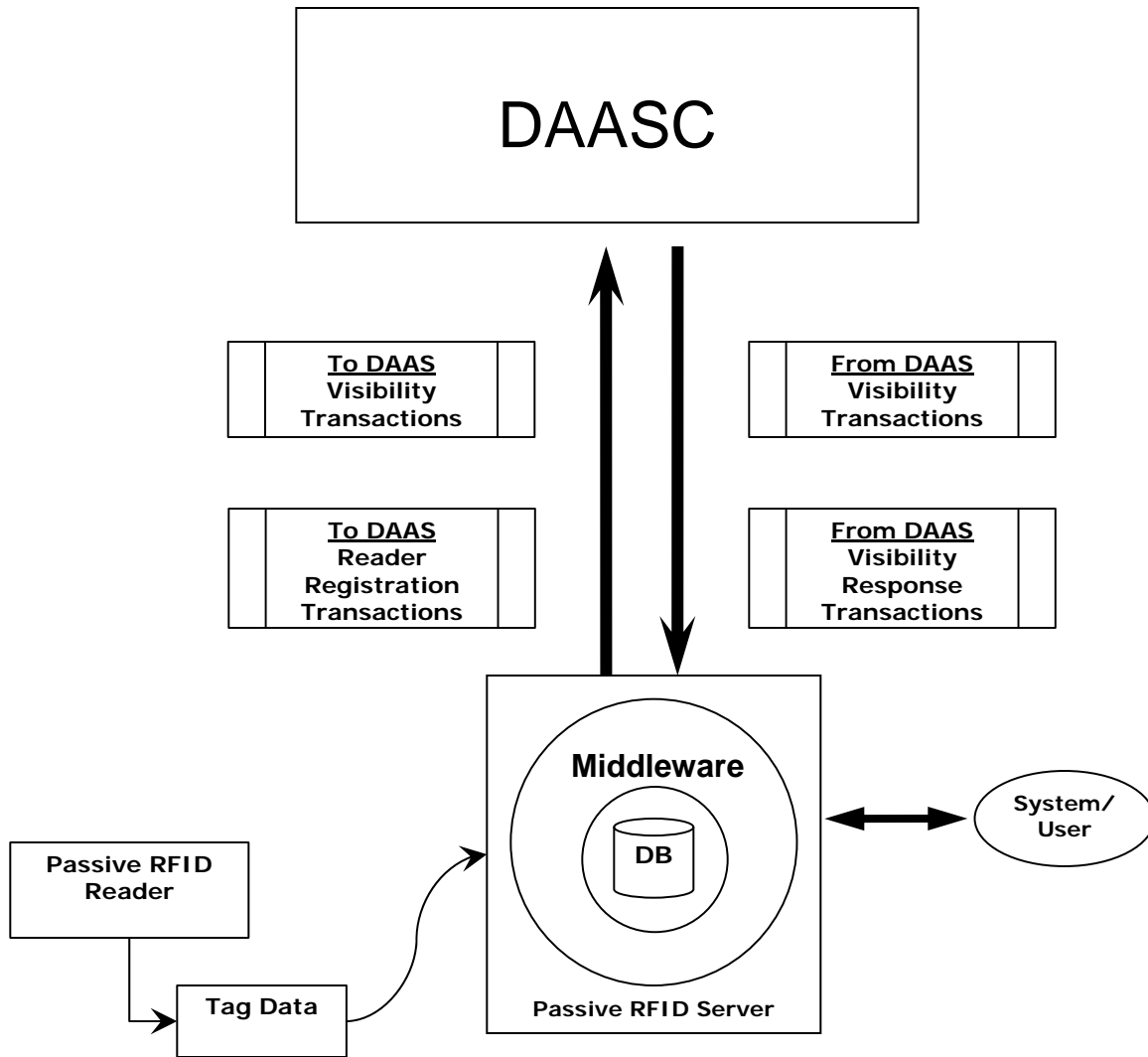


Figure C24.F1. *Passive RFID Data Flow (Between Site and DAASC)*

AP1. APPENDIX 1

REPORT OF VALIDATION OF MATERIAL OBLIGATIONS

AP1.1. Total overage MOV requests referred for validation (includes those forwarded by Air Force bases to Air Logistics Centers):

a. U.S. Forces

b. MAP/Grant Aid	Number	Value ²
1. State	1	1
2. Federal	1	1
3. Private	1	1
4. Other	1	1
5. Total	4	4

AP1.2. Cancellations requested by the requisitioner: Number Value³

AP1.3. Total cancelled by the logistics system as a direct result of the above requests.⁴

a. U.S. Forces Number Value⁵

b. MAP/Grant Aid	Number	Value ⁶
1. State		
2. Federal		
3. Private		
4. Total		
5. Total		

AP1.4. Percentage of accomplishment (line 3 divided by line 2). Percent Percent

AP1.5. MOV requests to which the requisitioner did not respond (requisitioner did not confirm that the material obligation should be retained or did not request suspension of automatic cancellations).

Number	Value ⁷
--------	--------------------

AP1.6. Total canceled by the logistics system due to non-response.⁸

¹ Express all dollar values in thousands.

² Express all dollar values in thousands.

³ Express all dollar values in thousands.

⁴ Do not count a material obligation as actually cancelled until it is certified that the material will not be delivered to the requisitioner; for example, the affected elements of the logistics system have confirmed that shipment/procurement action has been stopped.

⁵ Express all dollar values in thousands.

⁶ Express all dollar values in thousands.

⁷ Express all dollar values in thousands.

⁸ Do not count a material obligation as actually cancelled until it is certified that the material will not be delivered to the requisitioner; for example, the affected elements of

a. U.S. Forces	Number	Value ⁹
b. MAP/Grant Aid	Number	Value ¹⁰
Percentage of accomplishment (line 6 divided by line 5).	Percent	Percent
Reinstatement requests received: ¹¹		
a. Army	Number	Value ¹²
b. Navy	Number	Value ¹³
c. Air Force	Number	Value ¹⁴
d. Marine Corps	Number	Value ¹⁵
e. Other DoD	Number	Value ¹⁶
Reinstatements accomplished: ¹⁷		
a. U.S. Forces	Number	Value ¹⁸
b. MAP/GA	Number	Value ¹⁹
c. Air Force	Number	Value ²⁰
d. Marine Corps	Number	Value ²¹
e. Other DoD	Number	Value ²²

the logistics system have confirmed that shipment/procurement action has been stopped.

⁹ Express all dollar values in thousands.

¹⁰ Express all dollar values in thousands.

¹¹ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹² Express all dollar values in thousands.

¹³ Express all dollar values in thousands.

¹⁴ Express all dollar values in thousands.

¹⁵ Express all dollar values in thousands.

¹⁶ Express all dollar values in thousands.

¹⁷ Measure reinstatement requests received from the ending of the prior MOV cycle to the ending date of the current MOV cycle. This report reflects cycle reinstatements.

¹⁸ Express all dollar values in thousands.

¹⁹ Express all dollar values in thousands.

²⁰ Express all dollar values in thousands.

²¹ Express all dollar values in thousands.

²² Express all dollar values in thousands.

AP2. APPENDIX 2

QUARTERLY IN-TRANSIT TO DEFENSE REUTILIZATION AND MARKETING OFFICE REPORT

AP2.1 Outline. DRMS produces the in-transit to DRMO report quarterly. In addition, DRMS produces an annual report at the end of each fiscal year which includes the previous four quarters' totals. The report is in four parts as follows:

AP2.1.1 Total DoD Summary

AP2.1.2 Service Summary

AP2.1.3 DoDAAC Breakout

AP2.1.4 A supplemental invalid DoDAAC report.

AP2.2 Distribution. DRMS sends the report to the DoD Component Supply PRC Focal Points as follows:

DLMSO (Supply PRC chair) - One copy of the DoD summary report

Army - Two hard-copy reports

Navy - Two hard-copy reports

Air Force - Two hard-copy reports and four microfiche reports

Marine Corps - Two hard-copy reports

Defense Logistics Agency - One hard-copy report

Coast Guard - Two hard-copy reports

The DRMS provides copies of the report to the designated DoD Component Supply PRC focal points within 15 calendar days following the end of each respective quarter. Further dissemination of the report is the responsibility of each DoD Component .

AP2.3 Format. The report format and the explanation of the derivation of the counts are as follows:

QUARTERLY INTRANSIT TO DRMO REPORT
RCS: DD-P&L(Q)1787

<u>Total Matches</u>	<u>Discrepancies Cleared (Disposal Shipment Confirmation) BF, DE, DF, DG, DH</u>	<u>Disposal Shipment/ Receipt Confirmation Follow-ups Generated (Advice Code) 35 36 37</u>	<u>Disposal Shipment Confirmation Follow-ups Generated (Advice Code) 35 36 37</u>	<u>No response to Disposal Shipment Confirmation Follow- ups 30-60 days 60-90 days >90 days 35 36 37 35 36 37 35 36 37</u>	<u>Unresolved Discrepancies Moved to History 35 36 37</u>
NOTE: 1. All columns show transaction totals and dollar totals. Dollar totals will be shown in multiples of \$100.00. 2. Report prepared in hard copy will page break after each distinct record, i.e., after each DoDAAC of Service. 3. Record positions are indicated in columns 3-6 above.					

AP2.4 The explanation of the columns in the report is as follows:

AP2.4.1 Total Matches. Shows a count of matching shipment status transactions and DRMO receipts. Physical security/controlled inventory item totals require an exact quantity match. All other items require a quantity match within \$800 of an exact match.

AP2.4.2 Discrepancies Cleared. Shows a count of transactions received by DRMS in response to disposal shipment/receipt confirmation and disposal shipment confirmation follow-ups. Subdivided by type of response; disposal shipment confirmation or supply status transactions with Status Code BF, DE, DF, DG, or DH.

AP2.4.3 Disposal Shipment/Receipt Confirmation Follow-Ups Generated. Shows a count of disposal shipment/receipt confirmation follow-up transactions generated during the period (quarter or fiscal year) by DRMS. Subdivided by the type of condition causing a mismatch between the shipment status transaction and the DRMO receipt.

AP2.4.4 Disposal Shipment Confirmation Follow-Ups Generated. Shows a count of the disposal shipment confirmation follow-up transactions generated during the period (quarter or fiscal year) by DRMS. Subdivided by type of condition causing a mismatch between the shipment status transaction and the DRMO receipt.

AP2.4.5 No Response To Disposal Shipment Confirmation Follow-Ups. Shows a count of the disposal shipment confirmation follow-up transactions to which there has been no response. Subdivided by number of days since the disposal shipment confirmation follow-up transaction was generated prior to the report preparation cutoff date. Further subdivided by type of condition causing mismatch of the shipment status transaction and the DRMO receipt.

AP2.4.6 Unresolved Discrepancies Moved To History. Count of the transactions (records) moved from the active file to history during the period (quarter or fiscal year) which had no resolution of the discrepant condition. Transactions (records) are removed from the active file to the history file one year from the date of receipt of the

first transaction in the record (either a shipment status transaction or an Integrated Disposal Management System receipt transaction).

AP3. APPENDIX 3.

SUPPLY DISCREPANCY REPORT (SDR)

DISTRIBUTION

AP3.1. GENERAL

AP3.1.1. This enclosure addresses which organizations must be identified on the SDR as initial action recipient(s) or as interested parties to receive copies. Such determination is based upon the type or origin of the shipment involved, the affected DoD Component, and the type of discrepancy. This enclosure identifies those locations and provides in-the-clear addresses and communication numbers for most locations including ICP SDR processing focal points, the GSA National Customer Service Center, ILCOs, and DDs.

AP3.1.2. For items requiring special handling and/or reporting, such as controlled inventory items, the responsible activity must ensure additional distribution of the report as required.

AP3.2. PACKAGING DISCREPANCIES. The DoD Components and GSA have designated activities to act as control points to monitor packaging discrepancies for their respective DoD Component. SDRs for packaging discrepancies must be forwarded to the control activity if designated. Specific distribution according to the DoD Component and type of shipment is provided below.

AP3.3. SDRS FOR SA SHIPMENTS

AP3.3.1. All SA SDRs shall be sent directly to the ILCO identified below for initial screening and processing in accordance with this publication. SDRs may be forwarded via SF 364, Report of Discrepancy, or authorized electronic/automated formats.

AP3.3.1.1. Army

Commander, U.S. Army Security Assistance Command
ATTN: AMSAC-OL-LS-CS
54 M Avenue, Suite 1
New Cumberland, PA 17070-5096

AP3.3.1.2. Navy

Commanding Officer, Naval Inventory Control Point (NAVICP)
ATTN: Code P753112
700 Robbins Avenue, Building 4B

Philadelphia, PA 19111-5095

AP3.3.1.3. Air Force

Commander
Air Force Security Assistance Center
5490 Pearson Road
Wright-Patterson AFB, OH 45433-5332

AP3.3.2. As appropriate, SDRs will be forwarded for further processing to DoD ICP/IMM, shipping depot, or GSA. Total nonreceipt SDRs will normally be forwarded directly to the shipping depot. All responses to discrepancy reports shall be returned to the ILCO.

AP3.3.3. ICP/IMM or depot action activities shall ensure the reverse side of the original SF 364 is fully completed and the original copy of the report returned to the ILCO bearing the original signature of the individual responsible for preparation of the reply. Authorized electronic/automated format equivalent to the SF 364 may also be used to include, at a minimum, the requisition document number, the report number (Item 2 of the SF 364), point of contact, and pertinent information from the data blocks on the reverse side of the SF 364 or the expanded code lists found in DLA 4140.55 et al.

AP3.4. SDR DISTRIBUTION FOR SHIPMENT (ITEM) DISCREPANCIES

AP3.4.1. DoD Originated Shipments. ***Distribution shall be based on the origin of the shipment as follows.***

AP3.4.1.1. DD Shipments

AP3.4.1.1.1. Army and Marine Corps Directed Shipments. Initial action to ICP/IMM SDR processing focal point.

AP3.4.1.1.2. Total nonreceipt SDRs for SA Shipments. Shall be forwarded by the ILCO directly to the shipping depot regardless of implementing Component. Where the shipping depot is not known, forward to the ICP/IMM.

AP3.4.1.1.3. All Others. Initial action to the ***shipping activity. Where the*** shipping activity is not known, forward to the ICP/IMM.

AP3.4.1.2. Material Returns

AP3.4.1.2.1. Initial action to manager's ICP.

AP3.4.1.2.2. Copy to shipping activity.

AP3.4.1.3. Shipments to Reutilization and Marketing

AP3.4.1.3.1. Initial action shipping activity.

AP3.4.1.3.2. Copy to shipper's ICP/IMM.

AP3.4.1.3.3. Copy to DRMS.

AP3.4.1.4. Shipments from Reutilization and Marketing

AP3.4.1.4.1. Initial action to shipping DRMO.

AP3.4.1.4.2. Copy to DRMS.

AP3.4.1.5. Inter-Service Shipments

AP3.4.1.5.1. Initial action to shipper's ICP/IMM.

AP3.4.1.5.2. Copy to shipping activity.

AP3.4.2. DoD Central Procurement (Including Direct Vendor Delivery). For material procured centrally by a DoD Component ICP or by a DSC, distribution will be as follows irrespective of the point of inspection and acceptance.

AP3.4.2.1. Initial action procuring contracting officer. (Appropriate addresses are provided below.)

AP3.4.2.2. Copy to office administering the contract/purchase order, if different from the purchasing office, except as otherwise prescribed for purchases made from federal supply schedules or GSA open-end contracts below.

AP3.4.2.3. Copy to other interested parties as identified by the Service or Agency.

AP3.4.3. GSA Originated or Directed Shipments. When shipment is directed by GSA from GSA Supply Distribution Facilities or from DDs distribution shall be as follows:

AP3.4.3.1. Initial action to GSA National Customer Service Center.

AP3.4.3.2. Copy to shipping activity if a DoD depot.

AP3.4.3.3. Copy to other interested parties as identified by the DoD Component.

AP3.4.3.4. Purchases Made by DoD Activities from Federal Supply Schedules or GSA Open-End Contracts. Distribution will be the same as for DoD.

central procurement. Identify the GSA National Customer Service Center to receive a copy under the following conditions:

AP3.4.4. Repetitive discrepancies

AP3.4.4.1. Cases of dispute which cannot be resolved between the ordering office and the supplier.

AP3.4.4.2. Product quality deficient material in SA shipments where GSA has provided inspection at source.

AP3.4.5. Local Purchase. Distribution will be the same as for DoD central procurement. A copy will be furnished the Government inspector when inspection is at origin.

AP3.4.6. Industrial Plant Equipment Shipments. DSC, Richmond, shall review all SDRs from the initiator, make further distribution as necessary, request appropriate action from the consignor, and provide the initiator with replies from the consignor and other closeout action.

AP3.5. SDR DISTRIBUTION FOR PACKAGING DISCREPANCIES

AP3.5.1. Contractor/Vendor Shipments

AP3.5.1.1. Initial action to Administrative Contracting Office (ACO). When released by the ACO, any required repackaging at Defense Distribution Depots must be directed and reimbursed by the ICP.

AP3.5.1.2. Copy to applicable Contract Administration Office (CAO) (block 10 of DD Form 250, Material Inspection and Receiving Report). When GSA is CAO, send SDR to GSA National Customer Service Center (NCSC).

AP3.5.1.3. Copy to applicable ICP/IMM. When GSA is IMM send to GSA NCSC marked: IM Copy.

AP3.5.2. Personal Property Shipments. For packaging discrepancies in personal property shipments, send original to the Surface Deployment and Distribution Command (SDDC) and a copy to the shipping installation transportation officer.

Surface Deployment and Distribution Command
ATTN: SDPP-PO
200 Stovall Street, Hoffman Bldg. 2
Alexandria, VA 22332-5000

AP3.5.3. DoD-Directed Shipments. Follow additional DoD Component specific guidance in subsequent paragraphs.

AP3.6. ARMY

AP3.6.1. For all shipping and packaging discrepancies, other than ammunition and explosives, initiate action to the Army activity directing release of the material (on the Issue Release/Receipt).

NOTE: SDRs for the former Aviation component of Aviation and Troop Command (ATCOM) (RIC B17) and the former Missile Command (MICOM) (RIC B64) should be sent to the Aviation and Missile Command (AMCOM). SDRs for the former Troop component of U.S. Army Aviation and Troop Command (ATCOM)(RIC B12)) should be submitted to the U.S. Army Soldier Biological Chemical Command (SBCCOM).

CECOM:

U.S. Army Communications-Electronics Command (CECOM) (B16)
ATTN: AMSEL-LC-LEO-D-CS-CFO
Fort Monmouth, NJ 07703-5000
Phone: (732)532-4839 (DSN 992)
FAX: (732)532-1413

AMCOM:

U.S. Army Aviation and Missile Command (AMCOM) (B17 and B64)
ATTN: AMSAM-MMC-LS-MDC
Building 5302, Sparkman Center
Redstone Arsenal, AL 35898-5000
Phone: (256)876-8411 (DSN 746)
FAX: (256)313-2059 (DSN 897)

SBCCOM:

U.S. Army Soldier Biological Chemical Command (SBCCOM) (A12)
ATTN: AMSB-RIM-L(N)
Kansas Street
Natick, MA 01760-5052
Phone: (508)233-6029 (DSN 256)

TACOM:

U.S. Army Tank Automotive and Armaments Command (AKZ and B14)
ATTN: AMSTA-LC-CIAC
Rock Island, IL 61299-7630
Phone: (309)782-2140 (DSN 793)
FAX: (309)782-7283 (DSN 793)

AP3.6.2. For shipments of ammunition, explosives, and other related materials initiate action to:

Commander
U.S. Army Operations Support Command (OSC) (B14)
ATTN: SOSMA/SNI
Building 350
Rock Island, IL 61299
Phone: (309)782-3252 (DSN 7)
FAX: (309)782-3878

AP3.7 NAVY

AP3.7.1. For all material and supplies, other than ammunition and explosives, send SDR to the command directing release of the material:

Commander
Naval Air Systems Command (RI N21)
NAVAIRSYSCOM Headquarters
47123 Base Unit IPT
Patuxent River, MD 20670-1547

Commander
Naval Facilities Engineering Command (RI N25)
1322 Patterson Avenue SE Suite 1000
Washington Navy Yard DC 20374-5065
Phone: (202)685-9086 (DSN: 325-9086)

Commander
Naval Sea Systems Command (RI N23, N24, N29)
ATTN: SEA 05M31
Washington, DC 20363-5100

Commander
Space and Naval Warfare Systems Command (RI N77)
4301 Pacific Highway
San Diego, CA 92110-3127

Commanding Officer
Navy Inventory Control Point (RI N32)
ATTN: Code P01512.02
700 Robbins Avenue
Philadelphia, PA 19111-5098
Phone: (215)697-4858 (DSN 442)

Commanding Officer
Navy Inventory Control Point (RI N35)
ATTN: Code M01424

5450 Carlisle Pike
Mechanicsburg, PA 17055-0788
Phone: (717)605-7421 (DSN 430)

AP3.7.2. For shipments of arms, ammunition, or explosives:

Commanding Officer
Naval Ordnance Safety and Security Activity
ATTN: Code N714
Farragut Hall Building D-323
23 Strauss Avenue
Indian Head, MD 20640-5555
Phone: (301)744-6043 X190 (DSN 354-6043 X190)

AP3.7.3. Fleet Industrial Support Center (FISC) addresses are provided below for information copies to be forwarded by distribution depots processing SDRs for Navy-owned material.

Commanding Officer
Fleet and Industrial Supply Center, San Diego (RI NDZ)
ATTN: Code 121
937 N. Harbor Drive B-1
San Diego, CA 92132
Phone: (619)532-327 (DSN 522)

Commanding Officer
FISC Yokosuka JA (RI NZZ)
ATTN: Code 54.2 (SDR Section)
PSC 473 BOX 11
FPO AP 96349-1500
Phone: (81)311-743-8206 (DSN 243)
FAX: (81)311-743-3885

Commanding Officer
Fleet and Industrial Supply Center (Code 92)
1942 Gaffney Street Suite 100
Pearl Harbor, HI 96860-4549
Phone: (808)473-4621 (DSN 473)
FAX: (808)473-2761

Supply Officer (N62573)(RI NYH)
Building 130 MCAS, New River
Jacksonville, NC 28545-1001
Phone: DSN 750-6631
Commanding Officer

Naval Air Station Whidbey Island (RI PKZ)
950 W. Essex ATTN: N41R (Gene Rice)
Oak Harbor, WA 98278-5200
Phone: (360)257-8604 DSN 820-8606
FAX: DSN 820-2539

Commanding Officer
Fleet and Industrial Supply Center
Code AMM/SDRs
PO Box 97
Jacksonville, FL 32212-009
Phone: 904-542-1159 (DSN 942)
FAX: 904-542-1103

Commanding Officer
Fleet & Industrial Supply Center Norfolk (RI NNZ)
ATTN: Code 54
1968 Gilbert Street Suite 600
Norfolk, VA 23511
Phone: 757-443-1068 (DSN 646)

AP3.8. MARINE CORPS. For all materials and supplies, to include arms, ammunition and explosives, originating from Marine Corps activities:

Life Cycle Management Center
Materiel Management Division (Code 827-1)
Marine Corps Logistics Base
814 Radford Boulevard Suite 20320
Albany, GA 31704-0320

AP3.9. AIR FORCE

AP3.9.1. Air Force points of contact (POC), including arms, ammunition, and explosives, will be the applicable item management as contained in AFMAN 23-110, Vol 1, Part 2, Chap 2 or Air Force Material Command Maintenance Engineering Management Assignment (TO 00-25115); or as identified in Standardization Directory SD-1 (FSC Class Area Assignment).

AP3.9.2. The following POCs apply to packaging discrepancies applicable to Air Force management items that are stored at and are issued from DLA depots located at Hill, Tinker, and Robins AFBs.

Packaging SDRs will be reported to the following DLA activities:

DDHU-XID
Building 845
7537 Wardleigh Road
Hill AFB, UT 84056-5734

DDOO-XI
7401 2nd Street Suite 108
Tinker AFB, OK 73145-9013

DDWG/VA
450 5th Street
Robins AFB, GA 31098-1887

Information copies of packaging SDRs will be provided to the following Air Force activities:

75ABW/LGTP
7530 11th Street
Hill AFB, UT 84056-5707

72 ABW/LGTP
7516 Sentry Boulevard Suite 202B
Tinker AFB, OK 73145-8912

78 ABW/LGTP
455 Byron Street, Building 376
Robins AFB, GA 31098-1860

AP3.9.3. For research, development, test, and evaluation (RDT&E) material for which inventory management has not been established (AFMAN 23-110):

Commander
Air Force Materiel Command
ATTN: LGT
4375 Chidlaw Road Suite 6
Wright-Patterson AFB, OH 45433-5006

For the purposes of this appendix, RDT&E material are those items acquired under Air Force contracts whose contract number on the shipping container is prefixed with F04611, F04690, F04701, F04703, F04704, F08606, F08635, F19630, F33615, F33657, or F40600.

AP3.10. DEFENSE LOGISTICS AGENCY (DLA). SA SDRs for DLA activities will be accepted only after review by the appropriate ILCO. For contact information for DLA action activities refer to the DLA Customer Handbook. Forward the SDR to the ICP which directed the shipment when any of the following applies: material was shipped as a direct vendor delivery (also referred to as customer direct; when the shipping depot is not known; or when reporting a Security Assistance quality deficiency or billing discrepancy. Otherwise, forward the SDR to the shipping DD. For assistance contact the Customer Support - Virtual Contact Center at 1-877-352-2255 (1-877-DLA-CALL) or DSN 661-7766; or the Defense Distribution Center (DDC) Customer Support Team Point of Contact for SDRs at DSN 977-8749 (717)770-8749.

AP3.11. ARMY-AIR FORCE EXCHANGE SERVICE

Chief Army and Air Force Exchange Service

ATTN: CSXTX
Dallas, TX 75222-0202

AP3.12. GENERAL SERVICES ADMINISTRATION. Send all discrepancy reports (including Security Assistance product quality deficiencies) for shipments originating from GSA supply distribution facilities or directed by GSA from a contractor/vendor or from a DoD storage activity stocking GSA-owned assets NCSC.

GSA, Federal Supply Service
National Customer Service Center (NCSC)
ATTN: 6FR
1500 East Bannister Road
Kansas City, MO 64131-3088
Phone: 1-800-488-3111
FAX: 816-926-6952
E-mail: rodsm.ncsc@gsa.gov

Message: RUELPUI for unclassified messages or RULSADP for classified messages. The Plain Label Address is GSA, FSS, National Customer Service Center, Kansas City, MO.

AP4. APPENDIX 4.

INSTRUCTIONS FOR PREPARATION OF STANDARD FORM 364

AP4.1. ORIGINAL REPORT. SDRs and the associated response will be reported on the [SF 364](#), Report of Discrepancy, or by other means as authorized ***under Chapter 17.*** DoD Components ***are strongly encouraged to use electronic SDRs, but those using hard copy*** shall secure the necessary supply of forms through normal channels.

AP4.1.1. Indicate whether shipping discrepancy or packaging discrepancy by placing an "X" in appropriate boxes at the top of the form.

- Item 1 Date of Preparation. Use month, day, and four-position year format ***for the date the reporting activity prepares the SDR.***

- Item 2 Report Number. Provide the locally assigned report number. For Security Assistance shipments, this consists of one alpha character to identify the initiating office in-country, four numeric characters for number control, two alpha characters for the foreign customer country and three to six alphanumeric characters for the master and line item case designator, i.e., A0010-JA-KBD/001. For any unnumbered reports received, the ILCO will assign number x9000 to x9999 and so advise the foreign country customer on the receipted copy. Suffix code R added to the report number indicates the purchaser has asked for reconsideration of the report disposition. Suffix code C added to the report number indicates that the purchaser has contested the U.S. Government's decision on a request for reconsideration.

- Item 3 To. In-the-clear name, address, ZIP code and DoD Activity Address Code (DoDAAC) and/or Routing Identifier Code (RIC) (if assigned), and attention symbol/code of action activity. The action activity is based upon the origin of the shipment. If forwarding to the ICP, the RIC of the ICP is located in positions 67-69 of the DD Form 1348-1A. If forwarding to the Defense Distribution Depot, the RIC of the shipping depot is located in positions 4-6 of the DD Form 1348-1A. For Security Assistance discrepancy reports, refer to Appendix 3 for ILCO addresses.

- Item 4 From. DoDAAC, name, address and ZIP code of the reporting activity or Security Assistance customer (consignee). The in-the-clear address will be entered.
- Item 5a Shipper's Name. Enter name, DoDAAC and/or RIC (for DoD activities) or Commercial and Government Entity (CAGE) Code (if available, for commercial contractor facilities), and address of shipper (consignor) when different from Item 3. If applicable, the RIC of the shipping depot is located in positions 4-6 of the DD Form 1348-1A.
- Item 5b Number and Date of Invoice. Applicable to SA billing discrepancies. Enter number and date of vendor's invoice or shipper's bill number. Attach copy of invoice to SF 364.
- Item 6 Transportation Document. Enter the type of transportation document, TCN, GBL, CBL, manifest, waybill, insured/certified U.S. Postal Service, or transportation control and movement document (TCMD) and the identifying number assigned to such document. This is a mandatory entry when shipment received was made via traceable means, e.g., GBL, CBL. Further for U.S. SDRs, for discrepancies involving shortages, include following statement in Item 12--"Shortage has been verified as not being transportation related."
- Item 7a Shipper's Number. Enter shipment number (when more than one shipment is made under a contract or requisition) and contract/contract line item number/document number (e.g., contract, purchase order). For SA, also include the shipment date to distinguish multiple shipments from a contractor source.
- Item 7b Office Administering Contract. Name, address, and ZIP code of the Contract Administration Office (CAO) activity which directed/arranged shipment.
- Item 8 Requisitioner's Number. Enter the requisitioning activity's number, e.g., requisition, purchase request, and suffix code, if applicable. Entry of the applicable requisition document number is mandatory in all instances, even though a contract/purchase order is involved. Only one document number will be included on each SF 364. For U.S. SDRs only, when the original requisition number cannot be identified for discrepancies in sealed vendor packs, the reporting activity must include a constructed document number. When using a constructed document number in an SDR, use block 13 to cite the fund code and bill-to/credit-to DoDAAC, if different from that in the document number.

- Item 9a NSN/Part Number and Nomenclature. If item received is different from item shown on shipping documents, or different from item ordered, show each item on a separate line. For serial numbered principal items, sets, kits and outfits, list the item individual serial number first, followed by the discrepancies applicable to that serial number. (Sets, kits and outfits showing an assembly order number, the assembly order number should also be listed.)
- Item 9b Unit of Issue. Enter unit of issue as billed or indicated on shipping document for each item listed in Item 9a.
- Item 9c Quantity Shipped/Billed. Enter quantity of item shipped or billed. When code C1 is applicable, enter the quantity and the supply condition code of the item when shipped, e.g., 980A as shown on shipping document.
- Item 9d Quantity Received. Enter the quantity of item received.
- Item 10a Discrepancy Quantity. Enter the discrepant quantity. If code C1 is applicable, enter the quantity and the supply condition code of the item received. If total quantity received is classified under more than one condition code, enter separately each partial quantity so classified, followed by the applicable condition code, e.g., 960A, 20F.
- Item 10b Discrepancy Unit Price. Enter the unit price as billed or shown on shipping document.
- Item 10c Discrepancy Total Cost. For shipping discrepancies, enter the total value of material (10a x 10b). For U.S. SDR packaging deficiencies, enter total cost for corrective packaging of all discrepant items. For SDRs reporting both a packaging and a shipping discrepancy on the same item, enter on separate lines both the total value of the material and the total cost for corrective packaging.
- Item 10d Discrepancy Code. Nature of the discrepancy using the discrepancy codes available from DLMS Dictionary which supplements those listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. Use up to three discrepancy codes. When Discrepancy Code Q1, Product Quality Deficiency, or C2, Expired Shelf Life, is applicable, enter the following information under Item 12, Remarks:
1. Manufacturer's name and Commercial and Government Entity (CAGE) Code (if available).

2. Contract/purchase order number if not shown in Item 7a.
3. Date manufactured, date cured, date assembled, date packed (apply one as appropriate), and expiration date for Type I (nonextendible) shelf-life items and inspection or test date for Type II (extendible) shelf-life items. Include the date overhauled/rebuilt if pertinent.
4. Lot/batch number.
5. Location of material.
6. Name, address, and telephone number of point of contact.
7. Nature of complaint stating in detail why material is unsatisfactory.

Item 11 Action Code. Nature of the discrepancy using the discrepancy codes available from DLMS Dictionary which supplements those listed on the face of the form. If a condition exists that is not listed, use code Z1 and describe discrepancy in Item 12, Remarks. Use up to three discrepancy codes. When Discrepancy Code Q1, Product Quality Deficiency, or C2, Expired Shelf Life, is applicable, enter the following information under Item 12, Remarks:

Item 12 Remarks

General Conditions. Use for any supplemental information when the combination of discrepancy codes and action codes needs clarification; when discrepancies need explanation; and when a breakdown of cost to report, in terms of labor man-hours and materials, is required. Specific data such as appearance, lot/batch number, manufacture/packaging date, inspector number and inspection date, probable cause of improper packaging, and suggested corrective action should be entered here. Provide photos where it would assist in determining the cause/validity of the discrepancy/deficiency.

Packaging Discrepancies Noted at Defense Distribution Depots (DD). To ensure proper billing, indicate if the materiel is a major item, i.e., ships, aircraft, missiles, ammunition, vehicles, etc., or secondary item, i.e., any item that supports a major item such as reparable, consumables, assemblies, etc. Annotate projected or actual costs for labor and repackaging materials. If actual, indicate the date corrective action was completed.

Information Contact. Include name and communication numbers, e.g., DSN and commercial telephone numbers, facsimile number, and E-mail address of the person to be contacted for additional information if different from that entered in Item 14a.

For DDs That Mail Hard Copies. Indicate the type of receipt involved, e.g., a receipt from procurement, a customer return, or a receipt for the retail supply account, etc.

Discrepancies in Sealed Vendor Packs. Enter, if available, the contract number and lot number from the item package and the words "concealed discrepancy found upon opening sealed vendor pack," or cite the appropriate discrepancy code.

Special conditions. For shortages or nonreceipt of GSA items shipped via U.S. Postal Service--cite whether all packages shown as shipped in Item 5 of GSA or DD Form 1348-1A were received. For medical material requiring refrigeration or frozen storage--cite the information requested on the special instruction sheet which is included with shipments of such material. For classified material--cite whether indications of container tampering were or were not evident; indicate whether a security deviation inquiry may be necessary at the origin.

Security Assistance SDRs. Cite the specific violation of specification, regulation, packaging instruction or contract.

Item 13 Funding and Accounting Data. (Not applicable to SA SDRs.)

For packaging discrepancies, the accounting/appropriation fund cite may be entered in this block by the SDR initiator if reimbursement funds/credits are expected for costs incurred to correct reported deficiencies. Use only when a billing document such as the SF 1080, Voucher for Transfer Between Appropriation and/or Funds, will not be prepared.

For shipping discrepancies, use to identify the original requisition fund code to be credited when this information is not otherwise available to the action office. When using a constructed document number, use to identify the fund code and bill-to/credit-to DoDAAC, if different from that in the document number which is cited in block 8.

Item 14a Typed or Printed Name, Title and Phone Number of Preparing Official. Self-explanatory. Include both full commercial, DSN, and facsimile communication numbers and E-mail address, if available.

Item 14b Signature. Self-explanatory.

Item 15 Distribution Addressees for Copies. Enter other addressees receiving copies of the report. Not applicable to SA SDRs.

AP4.2 SDR REPLY. The reverse of SF 364 is to be completed by the action activity as required by this publication.

Item 16 From. The name, DoDAAC and/or RIC (if assigned) and address of the activity preparing the reply.

Item 17 Distribution Addressees for Copies. Enter addressees (including DoDAAC and/or RIC (if assigned)) receiving copies of the reply in addition to addressee ***listed in Item 18***.

Item 18 To. Enter address (including DoDAAC and/or RIC (if assigned)) of the activity indicated in Item 4 on face of the form. For SA, use the address for the ***appropriate ILCO***.

Item 19 Enter action taken by responsible action office by placing an "X" in appropriate box(es). Do NOT check box 19f(2) for U.S. SDRs; the regulation(s) citation(s) applies only for shipments to SA customers. Also, see instructions for Item 23.

Item 20 Enter disposition instructions by placing an "X" in appropriate box(es). Also, see instructions for Item 23.

Item 21 Enter an "X" to indicate to the reporting activity that a new requisition is required if the material is still needed. Also, see instructions for Item 23.

Item 22 Enter an "X" to indicate a replacement shipment will be made and the approximate shipment date. Also, see instructions for Item 23.

Item 23 Remarks

General Conditions. Enter any clarification or information necessary for a complete reply. Enter corrective action taken to preclude future packaging discrepancies and/or ***record the SDR disposition/status (reply) code available in the DLMS Dictionary***. This code and applicable narrative may be used rather than marking equivalent boxes for ***Items 19, 20, and 21***.

Packaging Discrepancies **Noted at DD.**

The ICP shall annotate the SDR to indicate that DD repackaging is approved or not approved. If the ICP authorizes corrective action the SDR will also show the appropriate funding/authorization document, e.g., job order number, Military Interdepartmental Purchase Request (MIPR) number, or SF 1080, to which the DD may charge the corrective action costs. After completing corrective action, the DD will annotate the actual cost of the work performed, note the date completed, and forward a copy to the ICP for close-out.

Item 24a Typed or Printed Name and Phone Number of Preparing Official. This is the individual authorized to provide an SDR response. Include both DSN and full commercial telephone numbers.

Item 24b Signature. Self-explanatory.

Item 24c Date. Use month, day, and four-position year.

AP4.3. SDR FOLLOW-UPS, CORRECTIONS, AND CANCELLATIONS

AP4.3.1. At the top of the original report annotate the appropriate word ("FOLLOW-UP," "CORRECTION," or "CANCELLATION") and the date the follow-up, correction, or cancellation prepared and forward to the same distribution addresses as the initial report.

AP4.3.2. Where there is any change to the point of contact information provided in block 14a of the original SF 364, enter the new point of contact name and telephone number(s) **and E-mail address.**

AP4.3.3. For corrected or cancelled SDRs, the initiator will explain the clarifying data in detail in the "Remarks" block. Include the signature, date, DSN number, complete commercial telephone number, and E-mail address, if available, of the person preparing the revised report.

commercial telephone number, **and E-mail address, if available**, of the person preparing the revised report.

AP5.APPENDIX 5.

INSTRUCTIONS FOR SUBMISSION OF DOD UNIQUE ITEM TRACKING (UIT) PROGRAM CANDIDATES

AP5.1 ORIGINATOR

AP5.1.1. UITC Representative. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.1.2. DoD Component. Identify the DoD Component submitting the UIT program candidate or the joint DoD Component group/committee sponsoring the program candidate.

AP5.1.3. Originator. Identify the person who can discuss the concepts, needs, and the rationale underlying the UIT program candidate. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.1.4. Program Sponsor. Include the name, organization and office symbol, and DSN and commercial telephone number, and electronic-mail address.

AP5.2. UIT PROGRAM CANDIDATE

AP5.2.1. Program Name. Enter the full name of the UIT program candidate. Spell out all acronyms.

AP5.2.2. Program Description. Provide a brief description of the UIT program and its applicability to the overall DoD UIT Program. Identify the functional area associated with the UIT program candidate, any other program which may be affected by, or have an interest in, and if applicable, cite authority documents. Identify any additional data element requirements that may be added, revised, or deleted as a result of this program.

AP5.2.3 Justification for UIT Requirement. Provide background and support for the UIT program candidate. Elaborate on the need for the UIT program candidate in a context that allows evaluators to understand the full impact of the program and the impact of not maintaining the status quo. Also, provide responses to the following questions:

AP5.2.3.1. What value does the UIT candidate program add to the DoD UIT Program?

AP5.2.3.2. What potential customers will benefit from the candidate UIT program?

AP5.2.3.3. How does the candidate UIT program contribute to the accountability and visibility of the asset being tracked?

AP5.2.3.4. Is the candidate UIT program compliant with sections C5.3 (Item Accountability, Control and Stewardship) and C6.3 (Unique Item Tracking (Visibility) of, DoD 4140.1-R, DoD Supply Chain Materiel Management Regulation? If yes, at what level and when was compliance achieved? If no, is there a plan to become compliant with DoD 4140.1-R, sections C5.3 and C6.3?

AP5.2.3.5. How many line items (NSN + UIT elements (Ull, serial number, part number, etc. = line item) are to be tracked?

AP5.2.3.6. How many reportable line items and UIT events are to be reported (1 NSN:1 Ull, end article NSN/Ull and component NSN/Ull, multiple (variable number) reportable NSNs/single or multiple Ulls, etc.)?

AP5.2.3.7. At what level will the assets be tracked (wholesale, below wholesale, contractor facilities, etc.)?

AP5.2.3.8. What is the name and location of the AIS where the assets will be reported? What standardized transactions will be used to report the assets (DLSS or DLMS etc.)?

AP5.2.3.9. In accordance with DoD 4140.1-R, subparagraph C6.3.2.3, what provisions have been made for use of AIT?

AP5.2.3.10. In accordance with Item Unique Identification (IUID) policy, IUID is a system of marking items with Ulls that have machine-readable data elements to distinguish an item from all other like and unlike items. A data matrix is used for marking. DoD requires IUID for specific categories of items. All UIT program items fall under the IUID category of serial managed assets. Accordingly, UIT program items require 2D marking in accordance with IUID policy. IUID policy and specific IUID guidance are available at <http://www.acq.osd.mil/dpap/IUID>. For specific guidance on marking DoD property for IUID, refer to MIL-STD-130M (or most current version). For items that are not currently in compliance with IUID marking policy, provide medium in use and placement of UIT identification.

AP5.2.3.11. Identify any special processing requirements. For example, for Navy Depot Level Repairables, Navy indicated they did not want the DLA distribution depots to open the containers to verify Ull information. Such requirements should be identified and explained, as part of the program submission process. Also, identify the following:

AP5.2.3.11.1. Physical handling (e.g., whether or not to sight verify (open containers, etc.).

AP5.2.3.11.2. Proposed types of UIT events to be reported (e.g., receipt, shipment, demilitarization, reconciliation, gain/loss, etc.).